



**STATE OF NORTH CAROLINA
OFFICE OF STATE BUDGET AND MANAGEMENT**



Employment First State for Individuals with Disabilities

JOSH STEIN
GOVERNOR

KRISTIN WALKER
STATE BUDGET DIRECTOR

September 18, 2025

TO: House Appropriations Committee
Senate Appropriations/Base Budget Committee
Brian Matteson, Director, Fiscal Research Division

FROM: Kristin Walker, State Budget Director *Kristin Walker*

SUBJECT: Report on Expenditures for Disaster Recovery

The attached report fulfills the reporting requirement from S.L. 2022-74, Sec. 5.4(a) regarding funds appropriated for disaster recovery. This report is for both the third and fourth quarters of Fiscal Year 2024-25.

Please contact Mark Bondo with any questions at mark.bondo@osbm.nc.gov or 984-236-0684.

CC: Anca Grozav, OSBM
Mark Bondo, OSBM
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Quarterly Implementation Status Report
State Emergency Response and Disaster Relief Funds (SERDRF)
Allocated pursuant to Section 5.4(a) of Session Law 2022-74 for
Various Disaster Relief, Recovery, Mitigation and Resiliency Purposes

Reporting Period: January 1, 2025 – June 30, 2025
Prepared by the North Carolina Office of State Budget and Management

Department of Health and Human Services

1. COVID-19 Cash Expenditure Offset

SL 2022-74 Section 5.4 (a)(1)

The purpose of this program is to reserve funds for the Department of Health and Human Services to offset cash expenditures made by the Department for COVID-19 eligible expenses pending reimbursements by the Federal Emergency Management Agency (FEMA) at one hundred percent (100%) of associated costs. As reimbursements from FEMA are received, the Department shall return funds to the State Emergency Response and Disaster Reserve (Reserve), and those funds shall remain in the Reserve until appropriated by the General Assembly.

Responsible Department and Agency

Department of Health and Human Services

Funding Allocation Update

Appropriated	\$125,000,000.00
Expended	\$125,000,000.00
Obligated	\$00
Unobligated Balance	\$00

Contact

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Department of Public Safety

2. State Match for Federal Assistance Programs

SL 2022-74 Section 5.4 (a)(2)

The purpose of this program is to provide funds to state agencies from the State Emergency and Disaster Relief (SERDF) for the required state match tied to FEMA assistance for COVID-19

Responsible Department and Agency

Department of Public Safety, Division of Emergency Management

Funding Allocation Update	
Appropriated	\$15,000,000.00
Expended	\$406,237.00
Obligated	\$14,593,763.00
Unobligated Balance	\$0.00

Contact

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Department of Public Safety

3. Private Road and Bridge Repair and Replacement

SL 2022-74 Section 5.4 (a)(3)(a)

The purpose of this program is to provide funds for the Private Road and Bridge Repair and Replacement Program established in Section 5.9A of S.L. 2021-180 to address continued demand for private road and bridge repairs in response to damage caused by Tropical Storm Fred.

Funding Allocation Update

Appropriated	\$ 5,000,000.00
Expended	\$ 4,316,372.33
Encumbered	\$ 683,627.67
Unobligated Balance	\$ -

Contact

Matt Kemnitz, Assistant Director for Administration

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4. Tropical Storm Fred Debris Removal and Infrastructure Repairs

SL 2022-74 Section 5.4 (a)(3)(b)

The purpose of this program is to provide funds to local government units for the removal and disposal of debris and public infrastructure repairs from damage caused by Tropical Storm Fred.

Responsible Department and Agency

Department of Public Safety, Division of Emergency Management

Funding Allocation Update

Appropriated	\$5,000,000.00
Expended	\$754,655.04
Obligated	\$4,245,344.96
Unobligated Balance	\$0.00

Contact

Joe Stanton, Assistant Director for Long-Term Recovery

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5. Star Telephone Membership Corporation Relocation

SL 2022-74 Section 5.4 (a)(3)(c)

The purpose of this program is to provide funds to Star Telephone Membership Corporation to relocate the Corporation's headquarters to another location within Sampson County. If Star Telephone Membership Corporation receives federal funds from FEMA or any other federal agency for this purpose, the Corporation shall return the amount of funds equal to any federal award to the Reserve as soon as practicable.

Responsible Department and Agency

Department of Public Safety, Controller's Office

Funding Allocation Update

Appropriated	\$21,402,739.00
Expended	\$21,402,739.00
Obligated	\$0.00
Unobligated Balance	\$0.00

Contact

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6. Carteret County Directed Grant

SL 2022-74 Section 5.4 (a)(3)(d)

The purpose of this directed grant is to provide funds to Carteret County for debris removal and storm resiliency.

Responsible Department and Agency

Department of Public Safety, Controller's Office

Funding Allocation Update

Appropriated	\$12,000,000.00
Expended	\$12,000,000.00
Obligated	\$0.00
Unobligated Balance	\$0.00

Contact

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Department of Public Safety

7. Town of Canton Directed Grant

SL 2022-74 Section 5.4 (a)(3)(e)

The purpose of this directed grant is to provide funds to Town of Canton for various disaster recovery projects.

Responsible Department and Agency

Department of Public Safety, Controller's Office

Funding Allocation Update

Appropriated	\$8,300,000.00
Expended	\$8,300,000.00
Obligated	\$0.00
Unobligated Balance	\$0.00

Contact

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Department of Public Safety

8. Town of Lillington Directed Grant

SL 2022-74 Section 5.4 (a)(3)(f)

The purpose of this directed grant is to provide funds to Town of Lillington for flood resiliency projects.

Responsible Department and Agency

Department of Public Safety, Controller's Office

Funding Allocation Update

Appropriated	\$3,500,000.00
Expended	\$3,500,000.00
Obligated	\$0.00
Unobligated Balance	\$0.00

Contact

Tripti Dahal, DPS Controller's Office

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Department of Public Safety

9. North Carolina Resource Conservation and Development Association

SL 2022-74 Section 5.4 (a)(3)(g)

The purpose of this directed grant is to provide funds to North Carolina Resource Conservation and Development Association for flood mitigation projects.

Responsible Department and Agency

Department of Public Safety, Controller's Office

Funding Allocation Update

Appropriated	\$1,000,000.00
Expended	\$1,000,000.00
Obligated	\$0.00
Unobligated Balance	\$0.00

Contact

Tripti Dahal, DPS Controller's Office

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Department of Public Safety

10. Purchase of Portable Deployable Emergency Communications Assets

SL 2022-74 Section 5.4 (a)(3)(h)

The purpose of this directed grant is to provide funds for the purchase of portable deployable emergency communications assets capable of operating independent from commercial power and capable of generating an area of Wi-Fi and cellular coverage using Federal Communications Commission-licensed spectrum, including the Band 14 spectrum. These emergency communications assets shall be strategically staged across the State to enable swift response to emergencies by supporting public safety and emergency management communications. Up to one hundred thousand dollars (\$100,000) of these funds shall be used to provide emergency communications assets as described in this sub-subdivision to the North Carolina Search and Rescue Program, established in G.S. 166A-166.

Responsible Department and Agency

Department of Public Safety, Division of Emergency Management

Funding Allocation Update

Appropriated	\$600,000.00
Expended	\$582,289.89
Obligated	\$17,710.11
Unobligated Balance	\$0.00

Contact

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Department of Public Safety

11. Southeast Drainage Office, Inc.

SL 2022-74 Section 5.4 (a)(3)(i)

The purpose of this program is to provide funds to Southeast Drainage Office, Inc., a nonprofit corporation, for stream and river cleanup, maintenance, and drainage of waterways in Pitt County and surrounding counties. The Office shall provide training on and demonstration of best practices for debris removal and drainage system maintenance activities to public and private entities.

Responsible Department and Agency

Department of Public Safety, Controller's Office

Funding Allocation Update

Appropriated	\$400,000.00
Expended	\$400,000.00
Obligated	\$0.00
Unobligated Balance	\$0.00

Contact

Tripti Dahal, DPS Controller's Office

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Department of Public Safety

12. Town of Colerain Directed Grant

SL 2022-74 Section 5.4 (a)(3)(j)

The purpose of this directed grant is to provide funds to Town of Colerain for flood recovery.

Responsible Department and Agency

Department of Public Safety, Controller's Office

Funding Allocation Update

Appropriated	\$198,500.00
Expended	\$198,500.00
Obligated	\$0.00
Unobligated Balance	\$0.00

Contact

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13. Hyde County Directed Grant

SL 2022-74 Section 5.4 (a)(3)(k)

The purpose of this directed grant is to provide funds to Hyde County as a directed grant for a pilot project to contract for the deployment of an emergency communications assets system with all of the following capabilities:

1. Operating independently from commercial power systems
2. Using satellite transport.
3. Generating an area of Wi-Fi and cellular coverage using
Federal Communications Commission-licensed spectrum

Responsible Department and Agency

Department of Public Safety, Controller's Office

Funding Allocation Update

Appropriated	\$114,100.00
Expended	\$114,100.00
Obligated	\$0.00
Unobligated Balance	\$0.00

Contact

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Department of Agriculture and Consumer Services

14. Agricultural Crop Loss Program

SL 2022-74 Section 5.4 (a)(4)

The purpose of this program is to provide additional funding to the Agricultural Crop Loss Program established in Section 5.9B of S.L. 2021-180, for the following purposes:

- a. \$5,000,000 to provide additional assistance to applicants affected by Tropical Storm Fred.
- b. \$5,000,000 to provide additional assistance to applicants affected by the Freeze Disaster, as defined in Section 4.4 of S.L. 2022-6.

Responsible Department and Agency

Department of Agriculture and Consumer Services

Funding Allocation Update

Appropriated	\$853.27
Expended	\$853.27
Obligated	\$0.00
Unobligated Balance	\$0.00

Summary of Activities: Per Session Law 2025-2 Section 2D.1.(c) directs the Department of Agriculture to use remaining funds from Section 5.9A(c)(2) of S.L. 2021-180 and Section 5.4(a)(4) of S.L. 2022-74 for the Agriculture Disaster Crop Loss Program for verifiable losses from an agricultural disaster in 2024, excluding Hurricane Helene. \$9,999,146.73 of the initial funding from SL 2022-74 Section 5.4(a)(4) will be used to cover the new Agriculture Disaster Crop Loss Program.

Contact

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Kaleb Rathbone, Assistant Commissioner

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Department of Natural and Cultural Resources

15. North Carolina Coastal Federation Directed Grant

SL 2022-74 Section 5.4 (a)(5)

The purpose of this directed grant is to provide funding to the North Carolina Coastal Federation, Inc., for living shoreline work at Hammocks Beach State Park, Black Duck Island on the Oregon Inlet, Fort Macon State Park, and Pine Knoll Shores Aquarium.

Responsible Department and Agency

Department of Natural and Cultural Resources

Funding Allocation Update

Appropriated	\$6,500,000.00
Expended	\$5,268,966.55
Obligated	\$1,231,033.45
Unobligated Balance	\$0.00

Contact

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Department of Information Technology

16. Public Safety Broadband Network

SL 2022-74 Section 5.4 (a)(6)

The purpose of this program is to provide matching funds for mobile broadband providers to deploy infrastructure to extend coverage or enhance the capacity of the Public Safety Broadband Network to unserved and underserved State agency campuses. The Department shall determine the match rate for each campus based on the ability of each campus to provide funding based on the Department's criteria. Mobile broadband infrastructure funded under this subdivision shall be capable of utilizing the Band 14 spectrum.

Responsible Department and Agency

Department of Information Technology

Funding Allocation Update

Appropriated	\$2,000,000.00
Expended	\$0.00
Obligated	\$116,296.98
Unobligated Balance	\$1,883,703.02

Update narrative:

This program is housed in the NCDIT Division of Broadband and Digital Opportunity's FirstTech Program and piloted with the Samarcand Training Academy campus. The state convenience contract 915A for cellular services is being amended for use in support of this effort as some of the circumstances have changed since the last update.

The vendor has changed business models and is not able to construct and own a tower. NCDIT conducted several meetings with DPS, State Property Office, and the vendor to identify several options for a new path forward. Options include having another third party construct the tower through State Property Office's known process, the purchase of a small temporary cellular device to provide limited coverage as a stop gap, exploring State of NC ownership of the tower, and multiple small cell deployments to cover the campus without the need for a large tower. After several meetings, the best option was to have SPO conduct a standard search for a third-party tower company to sign a land lease and construct the tower at no cost to the State while generating revenue to the State on the land lease. The cellular vendor would then establish a relationship with that tower owner to provide the needed coverage at Samarcand. This funding will be used for the cellular vendor to install the needed equipment on the tower. NCDIT will also fund a temporary cellular device that has been delivered to Samarcand to provide some

enhanced coverage over the next several months while the permanent equipment is being constructed. Samarcand will retain ownership of the temporary cellular device to provide targeted coverage during special operations. State Emergency Response and Disaster Relief Funds (SERDRF) in the amount of \$116,296.98 have been obligated for this purpose and will be transferred to the Department of Public Safety on a reimbursement basis.

While the business model change represents a different tower owner, the goal of expanding public safety broadband network coverage will still be addressed with this funding for underserved campuses. NCDIT is working with other state agencies to identify additional sites that can benefit from this process.

Contact

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