



STATE OF NORTH CAROLINA
OFFICE OF STATE BUDGET AND MANAGEMENT



Employment First State for Individuals with Disabilities

ROY COOPER
GOVERNOR

KRISTIN WALKER
STATE BUDGET DIRECTOR

October 7, 2024

The North Carolina Senate
The Honorable Phil Berger, President Pro Tempore
The Honorable Dan Blue, Democratic Leader
The North Carolina House of Representatives
The Honorable Tim Moore, Speaker
The Honorable Robert Reives, Democratic Leader

Dear Mr. President, Mr. Speaker, Leaders, and Members of the General Assembly:

Our state is facing a disaster of unprecedented proportions impacting millions of North Carolinians. Overflowing rivers, mudslides, and high winds have damaged neighborhoods, crossroads, small towns, and cities from Clay County to Alleghany County. At the height of fall tourism season, the scenes we should be seeing from our mountains right now – vibrant autumn leaves on the Blue Ridge Parkway, hikers out on trails, and families picking apples – stands in incredibly stark contrast to the devastation that exists.

What remains is resiliency, resolve, and a determination to act quickly and help. Local residents, federal, state, and local governments, and organizations from around the country have jumped in to assist. In this same spirit, the General Assembly will return for an October 9 session. The Office of State Budget and Management (OSBM) is conducting a full assessment of the scope of the disaster and an estimate of the total need; this analysis is still several weeks away, so this letter serves as only an initial request. As the only branch that can appropriate funds, I ask that you do the following:

1. **Appropriate \$250 million from the State Emergency Response and Disaster Relief Fund to a Hurricane Helene Fund** to provide state government with the flexibility to cashflow items that will eventually be reimbursed by FEMA; to provide for immediate unmet needs that the Federal government will not pay for; and to provide funding for any state or local match that may be needed to draw down federal funds. We have already obligated tens of millions of dollars in the first week of response; while much of that will be reimbursed by FEMA, we need the ability to move funds quickly and without red tape or unnecessary delay. With recent changes in FEMA project sizes, the state will be upfronting more funds in this disaster than in past disasters.
2. **Allow the Department of Transportation to access, if needed, up to \$100 million in appropriated funds from the State Emergency Response and Disaster Relief Fund** to provide match funds for FEMA category C projects and FHWA permanent repairs and to support potential cashflow needs for funds that will eventually be reimbursed by the

federal government. Funds may also be used for non-reimbursable storm-related expenditures. With more than 600 roads closed and catastrophic damage to transportation networks throughout the west, we want to ensure that NCDOT can continue to cashflow all repairs without interruption.

3. **Appropriate all federal funds** that will come in the next several weeks. This language removes bureaucratic barriers that require agencies to consult with the Commission on Governmental Operations and then wait 90 days before being able to use these funds. Such appropriation language has been included in every disaster bill for at least the last 25 years.
4. **Amend the Emergency Management Act** to facilitate necessary executive response to emergencies so that a state of emergency can extend as long as necessary to respond to the emergency without enactment of a general law by the General Assembly.

OSBM is aware of many agency requests that will enable them to work more nimbly and with greater efficiency. While we have not had time to review in detail all these requests, we trust our agency partners and respectfully request that you consider the following:

- Department of Public Instruction's requests to hold public school employees harmless, including funding to pay school nutrition staff; to provide for school calendar and remote instructional flexibility; and to provide flexibility for students in educator preparation programs.
- State Board of Elections request for funding to assist counties with elections.
- Department of Health and Human Services requests related to child care licensing standards; extended child care stabilization grants for impacted counties; and flexibility for various DHSR requirements, adult care and family home licensing requirements, and work requirements for Medicaid recipients.
- Department of Transportation requests to waive DMV Fees, provide DMV with funds to replace lost revenue, and remove caps around alternative delivery methods.
- Department of Environmental Quality requests to require wastewater treatment plants to accept domestic septage; to authorize landfills to accept waste from other regions; and to provide funding for emergency programs including revolving loans and dam safety.
- Department of Agriculture and Consumer Services request for suspension of legislative reporting requirements; this request applies broadly to all agencies.
- Department of Revenue request to waive interest for late tax filings.
- Department of Adult Correction requests for temporary extensions on post-release and parole violation hearings; and limited immunity for the Department regarding Helene evacuation of facilities.
- Secretary of State request to allow for extensions for administrative dissolutions for corporations, non-profit organizations, and LLCs.
- Department of Information Technology requests related to broadband flexibility.
- Department of Administration request to waive motor fleet minimum mileage requirements.
- Encourage the use of Historically Underutilized Businesses and local businesses to encourage a recovery that encompasses all of those affected.

- Spur economic recovery and get needed funds to the unemployed by increasing benefits. The NCGA could also lower tax rates on businesses while still ensuring the solvency of the Unemployment Insurance Trust Fund.
- Provide assistance to individuals, local governments, and small businesses completing federal paperwork, many of them for the first time, via the Councils of Government, the NC Association of County Commissioners, private contractors, or some combination.
- Allow grant funds, including directed grants, SCIF grants, and DEQ water and wastewater grants and directed projects, to be used for Helene recovery.
- Consider grant opportunities for small business, higher education institutions, and nonprofits serving western North Carolina.
- Temporarily lift the 6-month separation requirement for retirees to enable those with the most knowledge and experience to come back without jeopardizing their retirement.
- Waive the requirement for a 31-day break in service after 11 consecutive months employed with Temporary Solutions.

OSBM will prepare a full Damage and Needs Assessment (DNA) for Hurricane Helene as we did for [Hurricane Florence](#). An initial draft for Hurricane Florence was ready four weeks after the storm and a final assessment was completed almost eight weeks after the storm. Conditions around Hurricane Helene will make data collection much more challenging, and at this time, the earliest we will have a draft report will be the week of October 28. The earliest a full analysis would be ready is the week of November 18. The DNA should inform long-term policy and funding decisions to ensure the most robust and resilient recovery possible.

The associated agencies and OSBM have provided your staff with additional information regarding these requests. My staff and I are available to answer any questions. While current conditions are dire, I am encouraged by the scenes of hope and resiliency and remain optimistic about the future of our mountains and this great state.

Respectfully,



Kristin Walker