



STATE OF NORTH CAROLINA
OFFICE OF STATE BUDGET AND MANAGEMENT



JOSH STEIN
GOVERNOR

KRISTIN WALKER
STATE BUDGET DIRECTOR

March 31, 2026

TO: Joint Legislative Commission on Governmental Operations

FROM: Mike Arnold Signed by:
Mike Arnold
9A4A874BA8A458...

SUBJECT: Notification of Grant Award – Nonpoint Source Management Program

Pursuant to GS 143C-5-4(b)(9), the Office of State Budget and Management (OSBM) submits the attached Notification of Grant Award – **Nonpoint Source Management Program** – from the North Carolina Department of Environmental Quality (DEQ) for consultation with the Joint Legislative Commission on Governmental Operations.

The Environmental Protection Agency allocates funds each year for the Nonpoint Source Management Program using a state-by-state allocation formula as directed by the Clean Water Act Section 319(h). The Nonpoint Source Management Program has a cost share of 40% state funds, which will be matched by an in-kind contribution.

Grant Details:

- **Authority:** Clean Water Act: Sec. 319(h), Clean Water Act: Sec. 201(g)(1)(B) Under Sec. 319(h)
- **Purpose:** To focus on watersheds with water quality impairments caused by polluted run-off from nonpoint sources by:
 - Coordinating watershed restoration
 - Implementing nutrition management strategies and clean lakes monitoring
 - Enforcing animal waste management rules
 - Supporting basin wide planning and nonpoint source control for silviculture
 - Managing on-site wastewater disposal and groundwater protection
 - Conducting water quality assessment and modeling
- **Budget Period 1 Award:** \$3,766,400
- **Budget Period:** July 1, 2025 – June 30, 2026
- **Performance Period:** July 1, 2025 – June 30, 2026

If you have questions or concerns, please contact Mark Bondo by email at Mark.Bondo@osbm.nc.gov.

Thank you.

CC: Chairs, Senate Committee on Appropriations/Base Budget
Chairs, House Appropriations Committee
Fiscal Research Division



Notification of Grant Application/Award, FY 2025-26

Office of State Budget and Management 984-236-0600.

Instructions at <https://www.osbm.nc.gov/budget/common-agency-requests/agency-reporting-grant-applicationsawards>

Please indicate if Notification is for a GRANT APPLICATION or GRANT AWARD

 Application

 Grant Award

- 1 Department
- 2 Division (except in DHHS).....
DHHS only, choose division from drop down list.....
- 3 Contact person (name)
- 4 Phone number
- 5 E-mail
- 6 Funding Entity (grantor)

- 7 CFDA number.....
- 8 Grant title

- 9 Grant application deadline (MM/DD/YY)
- 10 Start date of grant (MM/DD/YY)
- 11 End date of grant (MM/DD/YY)
- 12 Application type
- 13 Is this grant already in agency's base budget?
- 14 Budget Code the grant will be expended in (XXXXX).....
- 15 Budget Fund (XXXXXX or NA)
- 16 Is there a state matching requirement?
- 17 If yes, what is the matching requirement?

- 18 If yes, what is the source of state funds being used to match grant funds.
- 19 Is there a maintenance of effort (MOE) requirement?
- 20 If yes, what is the MOE?

- 21 Is an additional General Fund appropriation required to meet the state match requirement?
- 22 Will any of these funds be passed through to local governments or non-state entities?
- 23 If yes, identify affected entities by type
- 24 Will additional state funds be required to continue the program if grant expires or is reduced?
- 25 If yes, is this a requirement of the grant?
- 26 Are new FTEs funded through the grant?.....

- 27 If yes, give the number by type for each year: *Permanent*
Time-Limited
- 28 Amount of grants funds **applied for** in each year
- 29 Amount of grants funds **awarded** in each year

Department of Environmental Quality
Water Resources
Katherine Bullock
919-707-9143
katherine.bullock@deq.nc.gov
US EPA
66.46
Nonpoint Source Implementation Grants
07/01/25
06/30/30
New
205146
Yes
40% non-federal matching
In-Kind
No
No
Yes
local govt AND private non-profit AND other state agency
No
Yes

SFY 2024-25 Actual	For 2025-26 Complete either Authorized or Proposed		SFY 2026-27 Proposed	SFY 2027-28 Proposed	SFY 2028-29 Proposed
	SFY 2025-26 Authorized	SFY 2025-26 Proposed			
	19.500				
			\$4,143,040.00		
	\$3,766,400.00				

30 Purpose of grant or amendment

Generally we request for No Cost Extension from EPA if there are any delays in pass-through project implementation.

31 Comments

Return completed form as email attachment and indicate in message that proper agency sign-offs have been obtained. Contact your OSBM budget analyst if you have questions.