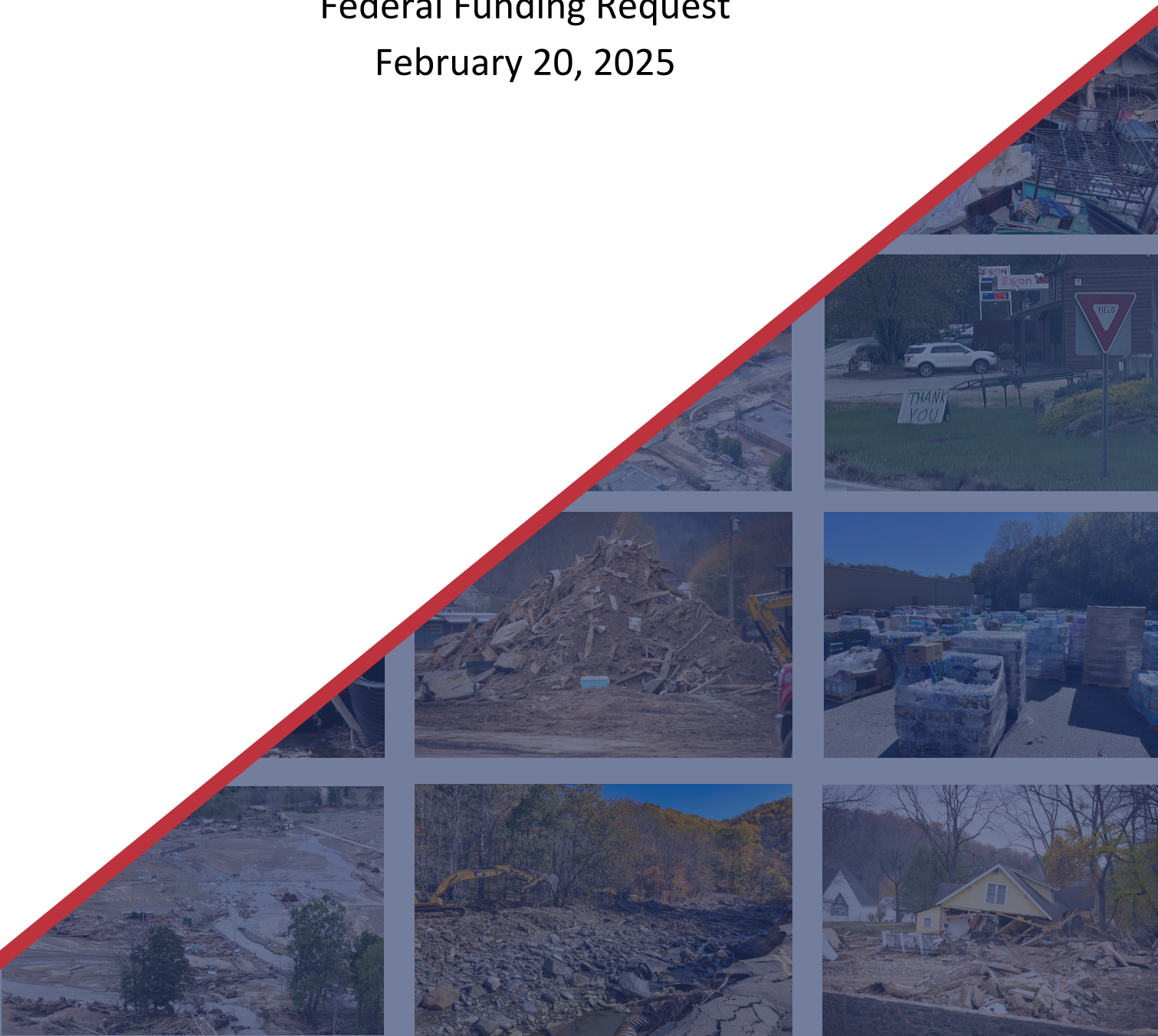


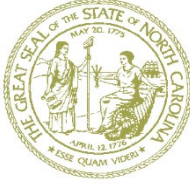
Hurricane Helene Recovery

Governor Josh Stein

Federal Funding Request
February 20, 2025



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

**JOSH STEIN
GOVERNOR**

February 20, 2025

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

United States Congress
Washington, DC 20510

Dear Mr. President and members of Congress,

Hurricane Helene wrought great devastation across western North Carolina. Over 100 lives were lost, and many more have been disrupted. Our state is facing nearly \$60 billion in damages. Despite a tremendous response from federal, state, local, and private sector and nonprofit partners in the immediate aftermath, five months later, it is clear that much more help is needed to restore and rebuild western North Carolina.

We have hit a critical moment on our path to recovery. As North Carolinians now face the prospect of rebuilding their homes, businesses, and communities, many are struggling to secure the necessary resources.

The state is currently considering its next wave of appropriations to address the rebuilding effort, but there is simply not enough money in our state budget to address our pressing needs. Therefore, North Carolina requests an additional \$19.0 billion in federal assistance to help meet the needs of our residents at this crucial moment. These funds would:

- **Assist the repair and reconstruction of homes.** More than 185,000 homes were damaged, and it is estimated that 96% of residents with flood damage do not have flood insurance.
- **Restore critical infrastructure to keep people safe and spur economic activity.** Roads and bridges must be reopened, and safe water and sewer services are necessary to allow for rebuilding and resumption of normal activities.
- **Keep businesses open, protect jobs, and boost local economies.** Local small businesses have suffered dramatic losses in revenue. They need support to help them weather the

lean winter months so that they have the chance to recover during the busy summer season later this year.

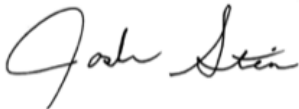
- **Shore up local governments facing budget shortfalls.** Towns and cities across western North Carolina expect dramatic revenue loss over the years ahead. They need resources to continue providing basic services, as well as respond to the damage resulting from the storm.
- **Reduce impacts from future flooding, wildfires, and severe weather.** We must invest in resiliency so that North Carolinians can be confident that their homes and communities will not be swept away again.

In short, the commitment of additional federal funding would help restore the vibrant and unique communities of western North Carolina. It would create hope for a stable future for a critical region of our state and nation.

The state has already committed more than \$1.1 billion in funding and is working to make more funding available. But more help is needed. We know that it will take local, state, and federal collaboration to give people a fighting chance to recover.

We are grateful for the meaningful support that the federal government has already provided our state, including a number of grants, appropriations, and in-person visits. With continued commitment, together we will rebuild western North Carolina stronger than ever before.

Sincerely,

A handwritten signature in cursive script that reads "Josh Stein".

Josh Stein
Governor

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Executive Summary

Introduction

Hurricane Helene barreled through North Carolina on Friday, September 27, bringing unparalleled damage to our state. It was one of the deadliest US storms of the 21st century, with more than 100 confirmed deaths in North Carolina alone. More than 40% of the state’s population lives in one of the 39 disaster-stricken counties eligible for federal disaster assistance. The region accounts for 45% of the state’s GDP. Estimates of damage and needs have surpassed \$59.6 billion. See Table 1 for details on estimated damage and needs.

Four and a half months have passed since Helene struck western North Carolina. Efforts by state, federal, local authorities have resulted in progress. But Helene’s toll is staggering, and much more work is needed to achieve stability and a sense of normalcy in the region. See tables 1 and 2 for details on funding to date and remaining needs.

Table 1: Total Needs for Hurricane Helene Recovery in North Carolina

Total Needs for Hurricane Helene Recovery in North Carolina (Million \$) ¹					
Category	Total Damage & Needs (est. as of 12/13/24) ²	Expected Private Insurance & Other Funding (est. as of 12/13/24)	State Funded as of 2/12/25	Federal Funding Obligated or Allocated as of 2/12/25 ³	Unfunded
Economy	\$15,875	\$1,415	\$56	\$241	
Housing	\$15,380	\$2,650	\$20	\$503	
Utilities & Natural Resources	\$6,962	\$1,155	\$193	\$1	
Transportation	\$10,342	\$195	\$125	\$465	
Agriculture	\$4,894	\$121	\$27		
Government & Recovery Ops	\$4,411	\$781	\$493	\$0	
Education	\$932	\$290	\$131		
Health and Human Services	\$821	\$74	\$61	\$3	
<i>Cross-Category Federal Funding</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	\$1,953	
Helene subtotal	\$59,617	\$6,681	\$1,106	\$3,166	
¹ Numbers in the table might not add up due to rounding. ² Additional data since 10/23/24 has caused estimates to change since publication of the Preliminary Damage and Needs Assessment, especially increasing the damage and needs in the Agriculture and Government & Recovery Operations categories. ³ See Table 2 for a breakdown of the federal funds by category, program, and source.					

Table 2: Federal Funding Obligated or Allocated as of February 12, 2025

Category	Federal Agency	Program	Federal Funding (\$M)
Economy	SBA	Business & EIDL Loans ¹	\$150
Economy	DHS	FEMA DUA ¹	\$37
Economy	DOL	Unemployment Ins.	\$52
Economy	DOL	Dislocated Workers	\$2
Housing	DHS	FEMA IA & HMGP ¹	\$375
Housing	SBA	Home Loans ¹	\$124
Housing	HUD	RUSH	\$3
Transportation - Public	USDOT	FHWA ²	\$250
Transportation - Public	USDOT	FHWA	\$100
Transportation - Public	DHS	FEMA PA ¹	\$96
Transportation - Private	DHS	FEMA IA ¹	\$19
Utilities and Natural Resources	DHS	FEMA PA ¹	\$1
Gov. & Recovery Ops	DHS	FEMA PA ¹	\$0
Health and Human Services	DHS	FEMA Crisis Immediate Services	\$3
Cross-Category*	DHS	FEMA IA & PA ^{1,3}	\$300
Cross-Category*	HUD	CDBG-DR ²	\$1,653
	Total		\$3,166
¹ Eligibility-based obligations. ² Allocations awarded after the passage of the American Relief Act of 2025 (HR 10545). ³ DHS FEMA obligations to date for eligible Debris Removal, Emergency Protective Measures, and Management costs.			

Unique aspects of the storm are complicating western North Carolina’s recovery and require significant investment:

Severe or catastrophic impacts on critical infrastructure

- Disruption of life-sustaining services:** Helene damaged or destroyed sewage and water treatment systems in multiple communities and 44 emergency response facilities. The storm resulted in the evacuation of 145 healthcare facilities across western North Carolina. Even today, multiple water treatment facilities remain only partially operational and comfort stations continue to provide basic needs like food and water to survivors.
- Impacts on transportation and utilities:** Entire communities lost access to lifeline services like water, power, and communications. The storm caused damage to roads and bridges in more than 6,900 sites, forcing traffic closures, including on I-40. Landslides and flooding cut residents off from outside help and communication. Reconstruction of these vital structures is time-consuming and complicated by the geography of the region and the preponderance of privately-owned roads, bridges, and culverts.

Impacts expected to be particularly long-lasting

- **Delay in return-to-business:** The complexity of restoring infrastructure has slowed the reopening of businesses and impaired access to key customer bases. Businesses that have reopened face challenges to their survival, which may have a significant impact on the region's communities.
- **Multi-year damage:** Key centers of production and revenue generation in industries such as agriculture and tourism experienced impacts that are likely to last for years (e.g., damage to nursery plants, which will need multiple seasons to regrow; damage to backcountry infrastructure and natural landscapes at state and national parks, which may not return to 'normal' for years). The longevity of the re-building cycle for these industries and make it more challenging for communities to recover, retain residents, and attract visitors.
- **Substantial uninsured home and property losses:** Helene damaged thousands of structures, including many residences. Unlike in coastal areas, most homeowners do not carry flood insurance. This coverage gap will dramatically reduce private financial resources for recovery.

Increased costs to complete recovery and mitigate future harm

- **Increased construction costs:** Construction costs have risen significantly in recent years. In addition, multiple recovery efforts from concurrent natural disasters in the Southeast have led to higher-than-normal costs.
- **Opportunity for strengthening and mitigation:** Unprecedented damage and impact to the state have led to calls for strengthening and mitigation to prevent disasters of this magnitude from happening again.

The state is grateful for initial support provided by the federal government to date, including over \$3 billion in direct assistance and grants; technical assistance from FEMA, USACE, and other federal agencies; and the mobilization of 7,000 federal personnel and 1,500 federal troops to support emergency response.

The state has committed more than \$1.1 billion toward recovery and work on an additional funding package is now underway. We know this won't be sufficient. 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 longer we take to provide a path to recovery, the more tenuous the future becomes for people in western North Carolina.

Requested Funding and Policy Changes

North Carolina is requesting an additional \$25.27 billion in federal assistance beyond the \$3.17 billion what has been appropriated or allocated so far. Granting this additional funding request would increase federal funding to 48% of total damage and needs, in line with other major storms in the last two decades. This assistance would address critical needs for recovery, including the reconstruction of homes, restoration of critical infrastructure, resources to help small businesses reopen, and cashflow support for local governments. The state's request includes resources focused on strengthening and mitigation to reduce impacts from future flooding and severe weather – investments that we know help to prevent future loss of life and that provide a \$6 return per \$1 spent.

Broadly, North Carolina’s request for federal support can be broken into four categories: requests for new federal funding, requests for allocations from the appropriations in the American Relief Act of 2025 (HR 10545), eligibility-based funding, and non-funding actions.

1. **New and additional funding request (including competitive funding):**

North Carolina requests an additional \$13.08 billion in funding beyond what the state has received and requests from HR 10545 thus far, and beyond what the state estimates to receive from eligibility-based funding sources.

As part of the additional request, North Carolina is also asking the federal government to prioritize the state, and other disaster affected states, when reviewing grant applications for competitive funding. In this document, North Carolina is requesting specific amounts from a variety of competitive and discretionary funding sources, totaling \$ 1.47 billion.

Below is a summary table of North Carolina’s total funding request by federal agency, including eligibility-based requests, amounts requested but not yet allocated from HR 10545, as well as requests for new federal funding.

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

North Carolina requests that Congress and federal agencies expedite allocations totaling \$5.95 billion from the American Relief Act of 2025 (HR 10545), beyond the \$1.90 billion in funding federal agencies have already allocated, and *in addition* to the eligibility-based FEMA and SBA funding discussed below.

The state’s share of the supplemental disaster relief appropriations from HR 10545 is uncertain. With few exceptions, federal agencies have not announced North Carolina’s allocations.

- On January 7th, the US Department of Housing and Urban Development (HUD) awarded \$1.65 billion to North Carolina: \$1.43 billion to the state and \$225 million directly to the City of Asheville. HUD has not yet released the funds, pending approval of North Carolina’s State Plan.
- On January 11th, the US DOT’s Federal Highway Administration (FHWA) issued a \$250 million installment of Emergency Relief funds to North Carolina to fund eligible repairs to damaged facilities including I-40.

3. **Eligibility-based funding expected:**

While FEMA’s Individual Assistance (IA), Public Assistance (PA), and Hazard Mitigation Grant Program (HMGP) as well as the program 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 nonetheless essential to recovery, so have been included in this document. North Carolina asks Congress to ensure that all these programs have the funding needed to meet the federal cost-share for these critical programs.

FEMA

North Carolina estimates receiving another \$6.15 billion in FEMA IA, PA, and HMGP funding, beyond the \$791 million that has been obligated thus far, for a total of \$6.95 billion.

As of February 12, 2025, FEMA has approved \$394 million in North Carolina in IA awards, including \$135 million in Housing Assistance, \$240 million in Other Needs Assistance (ONA), and \$19 million for private roads and bridges. The state currently anticipates another \$206.1 million in funding, for a total estimate of \$600 million.¹ Individuals may submit IA claims through March 8, 2025.

FEMA has obligated \$397 million in PA funds for eligible North Carolina state agencies, local governments, and private nonprofits to assist with immediate response efforts. The state estimates another \$4.54 billion is needed for a total of approximately \$4.74 billion for full recovery.

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. The state expects to receive about \$1.42 billion in FEMA Hazard Mitigation Grant Program Funding.²

Small Business Administration

As of February 12, 2025, SBA has approved \$124 million in Home and Personal Property Disaster Loans, \$114 million in Physical Damage Loans for businesses, and \$36 million in Economic Injury Disaster Loans (EIDL) for businesses whose operations have been disrupted by Helene. Assuming the current trend in SBA loan approvals continues, North Carolina estimates to receive another \$76 million, for a total of \$350 million, in SBA loans. However, given the size of the damage and needs, this low estimate is likely a reflection of the SBA funding shortfall in the months following Helene that discouraged applications.

Department of Labor

The US Department of Labor (DOL), in coordination with FEMA, has approved so far \$38 million in FEMA Disaster Unemployment Assistance (DUA) program payments. DOL has made another \$52 million so far in Unemployment Insurance (UI) payments to those who have been laid off due to Hurricane Helene and through no fault of their own. Between the two programs, the state anticipates another \$11 million to be approved, with unemployment payments totaling about \$100 million.

¹ FEMA PA and IA awards may increase, as the application period for assistance has not ended and FEMA damage assessments are still ongoing.

² Based on FEMA's 30-day estimate for the HMGP ceiling of \$1,182 million, with an additional \$236 million in management costs. FEMA provided the estimate in a letter to NC Division of Emergency Management on November 5, 2024.

Table 3: Summary table of total funding request by federal agency (Billion \$)

1A. New and Additional Funds Requested (Congressional Action Required)

<i>Federal agency</i>	<i>Federal sub-agency</i>	<i>Requested Funding (\$B)</i>
USDOT	FAA, FHWA, FRA	4.92
HUD	CBDG-DR	4.03
DHS	FEMA	1.75
EPA		0.50
Education	FSA, OESE, OPE	0.11
DOC	FCC, NIST, NTIA	0.09
DOE	OSCEP	0.08
USDHHS	ACF, ASPR, OCFS	0.08
DOL		0.05
Treasury		0.02
Subtotal		11.61

1B. Competitive Funds Requested (Agency Decision Required)

<i>Federal agency</i>	<i>Federal sub-agency</i>	<i>Requested Funding (\$B)</i>
DOE	LPO	1.00
EPA		0.39
DOC	EDA	0.04
DHS	FEMA	0.04
Subtotal		1.47

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

<i>Federal agency</i>	<i>Federal sub-agency</i>	<i>Requested Funding (\$B)</i>
USDOT	FHWA	2.80
USDA	Secretary, NRCS, FSA, USFS	1.87
EPA		0.71
DOC	EDA	0.21
DOD	USACE	0.20
DOI	NPS, USGS	0.09
USDHHS	ACF	0.07
Subtotal		5.95

3. Additional Eligibility-Based Funding Expected (No Action Required)

<i>Federal agency</i>	<i>Federal sub-agency</i>	<i>Expected Funding (\$B)</i>
DHS	FEMA	6.15
SBA		0.08
DOL (via/FEMA)		0.01
Subtotal		6.24

Total Federal Request (\$B)	25.27
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4. Policy and Statutory Changes to Accelerate Recovery:

North Carolina also requests the following timely actions (e.g., extensions of deadlines, broadening of eligibility requirements) to accelerate recovery. These requests are also reflected in the agency pages that follow. While smaller policy changes have been included in the detailed requests by federal agency, major and cross-cutting policy changes are included below:

1. Extend for an additional 180 days the 100% federal cost share for FEMA Emergency Work to ensure all the debris is removed. In December, the NC Department of Environmental Quality estimated that about 15 million cubic yards (CY) of debris material will need to be disposed of. However, the NC Department of Public Safety estimated that the total debris removal mission has disposed of only about 4.5 million CY of debris as of February 17, 2025. Delays have been driven by a range of factors, including the protracted ramp-up of the US Army Corps of Engineers (USACE) and the topographical and logistical complexity of the western North Carolina region. North Carolina set target deadlines for the US Army Corps of Engineers to assist with resource allocation and operational decisions. Those targets are:
 - Right of Way: first pass by March 1, 2025, and completion by April 1, 2025;
 - Waterway: all visible and hazardous debris removal completion by May 1, 2025, with remaining debris removed by June 1, 2025; and
 - Private and Commercial Property: completion by June 30, 2025.
2. Extend for an additional 90 days the application deadline for FEMA Individual Assistance (IA) for individuals and households who have sustained losses due to the disaster. The state recognizes this might need to be done in 30-day increments. The region's scale of property destruction and the high number of displaced individuals has prevented many eligible applicants from submitting timely submission for aid they desperately need.
3. 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 roads and bridges 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.
4. Ensure that the Department of Housing and Urban Development (HUD) publish a Universal Notice for Community Development Block Grant – Disaster Recovery (CDBG-DR) that enables HUD to rapidly review and approve NC's HUD Action Plan following a period of public comment and adjudication.
5. Extend the SBA loan application deadlines by three more months beyond March 8, 2025, for Physical Damage Loans and beyond June 30, 2025, for Economic Injury Disaster Loans (EIDL). The insufficient SBA funding in the months after Helene hit North Carolina dissuaded many potential applicants from seeking an SBA loan. Allowing additional time for applications would ensure more people and businesses have access to necessary funding to recover from the storm.
6. 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 un-reimbursable 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.

7. Grant the request of the Councils of Government/Local Development Districts (LDDs) across the Helene impacted area for \$2 billion in Appalachian Regional Commission 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.
8. 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.
9. Increase US Department of Transportation, Federal Highway Administration (FHWA) reimbursements from 80% to 100% for eligible costs to repair major corridors. This request is similar to what the federal government agreed to do in other major storms, like Superstorm Sandy and Hurricanes Irma, Maria, and Harvey.
10. Pass legislation to ensure that, like in the Disaster Recovery and Reform Act of 2018 (DRRA), SBA loans are not considered a duplication of benefits when an individual is seeking support from CDBG-DR. DRRA temporarily amended section 312 of the Stafford Act such that, for qualifying disasters (i.e., disasters declared between January 1, 2016 and December 31, 2021), 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.
11. Expand 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 41 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 has requested a waiver for Large Project Notification and asked FEMA to extend Expedited Project Worksheets. Those requests currently reside with FEMA; North Carolina requests approval of those waivers.
12. Expedite review and potential approval from the US Department of Agriculture's Forest Service and the Army Corps of Engineers of special use permit (Form 299) to investigate

sites in the Pisgah National Forest for quality rock material to use to rebuild I-40, as well as authorize material storage sites near the construction project.

13. Extend Disaster Unemployment Assistance (DUA) period for payments past the current deadline of March 29, 2025, to September 6, 2025, to ensure that those filing for benefits by the newly extended deadline of March 10, 2025, can still receive all benefit payments – 12 weeks of state payments and 14 more weeks of federal payments.
14. Minimize issues related to duplication of benefits when making CDBG-DR awards by not classifying uses of FEMA Housing Assistance (HA) awards 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.
15. Extend deadlines in the American Rescue Plan Act (ARPA) for the obligation and expenditure of State and Local Fiscal Recovery Funds by two year (currently deadlines are 12/31/24 for obligation and 12/31/26 for expenditure).
16. Extend the 12/31/26 expenditure deadline for ARPA capital project funds by two years. Helene left a trail of destruction across over 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 will require additional time to return to full functionality. To ensure they can rebuild and expand broadband infrastructure, an extension of ARPA funds is essential, enabling them to invest in long-term recovery and growth.
17. 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.
18. Prioritize the reconstruction of infrastructure and the restoration of national forests within Helene-damaged national parks. North Carolina requests that the Department of the Interior (DOI) and the US Forest Service strategically utilize existing funds and funds Congress appropriated in HR 10545 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. 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. Of particular concern is the Blue Ridge Parkway, the majority of which remains closed in North Carolina as of February 18, 2025. The Blue Ridge Parkway alone attracts approximately 16 million visitors to North Carolina annually.
19. 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.

20. The Eastern Band of Cherokee Indians (EBCI) has also incurred damage and has needs as result of Hurricane Helene. North Carolina is asking for the federal government to support the tribal lands in their recovery and provide swift funding and technical assistance. The EBCI will be 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, the US Department of Agriculture's Rural Development Disaster Assistance and Emergency Watershed Protection Program.
21. Implement a system akin to FEMA's RAPID Pay program at FHWA to ease cash flow burden and allow reimbursement upfront based on mutually agreed upon expense amounts.
22. 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.
23. 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 impacts on North Carolina, then detailing specific funding requests and policy change requests by sub-agency (if applicable) and program.

Department of Transportation (DOT)

Additional Funding Requested:	\$4.92 billion
Competitive Funding Requested:	\$0.00 billion
Funding from HR 10545 Requested:	\$2.80 billion
Total:	\$7.72 billion

Hurricane Helene has 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 835 public bridges and 875 culverts. There are still at least 171 road closures as of February 13, 2025. The terrain in this region is especially challenging, as it is mountainous with an elevation on average two to three times that of the Piedmont, 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 exceeds \$9 billion, with an additional \$100 million in indirect state revenue impact and \$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 will help repair and rebuild federal and major highways, interstate and state roads, municipal roads and bridges, and railroad tracks. This support is critical to the recovery and resilience of the region’s vital transportation systems.

Funding Requested from HR 10545

Federal Highway Administration (FHWA) – \$2.8 billion

North Carolina has received an initial installment of \$250 million from the FHWA Emergency Relief Program funds appropriated by HR 10545 and expects to receive another \$2.8 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 requires significant investment.

Additional Funding Requested

Federal Highway Administration (FHWA) – \$4.75 billion

The state is seeking an increase in reimbursement for typical disaster-related costs from the 80% to 100%, per 23 U.S.C. 120(e)(4), and therefore a supplemental appropriation request of \$4.75 billion. This request is in addition to the \$2.8 billion the state expects from HR 10545, for a total of \$7.55 billion. NCDOT’s Helene needs dwarf FHWA’s annual apportionment to North Carolina for FY 2024-25 of approximately \$1.4 billion, 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.

Rebuild Interstates, Major Highways, and State Roads and Bridges – \$3.2 billion

Hurricane Helene caused unprecedented damage to state-maintained transportation infrastructure, damaging over 5,000 miles of roads, 674 bridges and 712 culverts. Initial estimates are that the total cost of rebuilding and repairing state roads and bridges across western North Carolina will be \$6 billion – of which \$3 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.

Rebuild Municipal Roads and Bridges – \$1.55 billion

North Carolina is seeking 90% reimbursement for municipal road and bridge repairs, equating to a \$1.55 billion request. The initial estimate of damage to municipal roads and bridges is \$1.725 billion, of which bridges account for approximately one quarter. Most municipalities in western North Carolina are small, financially constrained, and have lost significant tourism revenue because of Hurricane Helene.

Federal Railroad Administration (FRA) – \$172.5 million

Rebuild Railroad Tracks and Bridges – \$172.5 million

The state requests a \$172.5 million supplemental appropriation to cover half the cost of restoring critical railroad network infrastructure. North Carolina estimates that Hurricane Helene created \$345 million in damage to railroads. This reflects the destruction of, or major damage to, track and bridges owned by CSX and Norfolk Southern, who 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; and
- Meet additional costs at Avery Airport for its Terminal Program, an IJA-funded project, 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.

Department of Housing and Urban Development (HUD)

Additional Funding Requested:	\$4.03 billion
Competitive Funding Requested:	\$0
Funding from HR 10545 Requested:	\$0 ³
Total:	\$4.03 billion

Hurricane Helene caused unprecedented damage to the homes, businesses, and infrastructure of western North Carolina. More than 185,000 homes reported damage from flooding, landslides, wind, and debris, as of February 9, 2025. Of Individual Assistance applications submitted to date, only 4.2% of owner-occupied households with flood damage have flood insurance, resulting in an estimated \$9.5 billion in uninsured residential property losses. The region's businesses, including over 500,000 small businesses, are also expected to experience \$12.4 billion in economic loss due to direct property damage, inaccessible roads, and extended outages of electricity, water, sewer, and communications.

HUD will 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 will help address immediate needs, western North Carolina will still have a large unmet need remaining.

Additional Funding Requested

Community Development Block Grant Disaster Recovery (CDBG-DR) – \$3.92 billion

CDBG-DR will play an essential role in addressing critical recovery needs not met by other federal programs. North Carolina greatly appreciates Congress acting to ensure funding flows quickly by requiring that HUD publish CDBG-DR allocations in the Federal Register no later than January 15, 2025, in HR 10545.

While HUD announced that North Carolina would receive \$1.43 billion in CDBG-DR funds and that the City of Asheville would receive another \$225 million of the \$12 billion HR 10545 appropriated, the state requests additional funding from this program to meet our many needs as documented below.

Housing Recovery – \$2.1 billion

North Carolina requests an additional \$2.1 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.

Following Hurricane Helene, affected communities need both repairs of current units and an increased housing stock to meet the housing need of displaced residents. Of the more than 185,000 homes with damage, about two-thirds of them are owner-occupied. Based on Individual Assistance applications submitted to date, only 4.2% of owner-occupied households with flood damage have flood insurance.

³ 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.

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 among other things:

- 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 \$263,000 full reconstruction of homes without elevation, and even more for full reconstruction plus resilience 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 resilient housing stock;
- Expand the supply of resilient and affordable housing, by considering mitigation measures for potential hazards during 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 Other Needs Assistance and Transitional Sheltering Assistance.

Economic Revitalization – \$820 million

North Carolina requests an additional \$820 million for economic revitalization to provide relief to the nearly 500,000 business establishments in the Helene disaster-declaration counties. The losses are especially acute for the more than 50,000 businesses in the fifteen hardest-hit counties. 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 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.

About a third of the request would be used for a Small Business Disaster Loan program modeled after Louisiana’s CDBG-DR-funded program to promote economic recovery from Hurricanes Laura, Delta, and Zeta in 2020. The 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 remainder of the requested funding would be for business infrastructure rebuilding and resiliency. Many of the businesses flooded by Hurricane Helene would remain vulnerable to future flooding without significant investments in hardening business structures and raising them out of harm’s way. Projects would target commercial districts and be designed and implemented in partnership with local governments and councils of government, local business organizations, and resident stakeholders.

Water Quality and Infrastructure – \$630 million

Hurricane Helene has 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 immediate and 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.

The state requests an additional \$630 million for construction and planning projects to improve water and stormwater infrastructure. These projects will repair, replace, and elevate water infrastructure systems.

Rebuilding Private Roads and Bridges – \$350 million

Given the exceptional scale of the disaster, the state is requesting \$350 million in CDBG-DR funding to cover the gap between FEMA-PA funds and the full costs of restoring access to isolated homes. The state is working with FEMA to allow Public Assistance funds to be used for private roads and bridges that provide essential, emergency access to homes. If approved, this would cover approximately \$110 million of the estimated \$460 million in damage to these roads and bridges.

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 & 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 – \$102 million

Emergency Housing Voucher Program – \$75 million

North Carolina is requesting an appropriation of \$75 million for Emergency Housing Vouchers (EHVs) and program administration. The original EHV program was created in the American Rescue Plan Act of 2021. EHV-Helene vouchers will be used to assist individuals and families who are homeless; at-risk of homelessness; fleeing domestic, dating, or sexual violence, human trafficking or stalking; or have a high risk of housing instability due to Hurricane Helene, and, like housing choice vouchers, could be ported to non-Helene disaster counties. Because EHV funds do not expire, households will benefit from them for as long as they need to secure stable housing. Investing in renter assistance and homelessness prevention will help the region not only avoid homelessness but also prevent out-migration from the impacted counties. The disaster-declared region has over 390,000 low-income households that are considered cost-burdened, and this number is expected to grow due to the economic and physical impacts of Hurricane Helene.

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 has 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.

Rapid Unsheltered Survivor Housing (RUSH) – \$7 million

North Carolina seeks to receive the maximum allocation of Rapid Unsheltered Survivor Housing (RUSH) funds, \$10 million, as soon as possible. HUD has the authority to provide these funds, so HUD needs neither additional appropriation nor legislation to allocate these funds. North Carolina received \$3 million in RUSH funds in early October and has already deployed them to rehouse individuals at risk of homelessness, including individuals living in temporary shelters.

North Carolina has used its initial allocation of RUSH funds to deploy multi-agency shelter transition (MAST) teams which work to with individuals in temporary shelters to find stable housing. The state needs RUSH funds to continue this work and provide direct rental assistance and supportive services for those at risk of homelessness.

Program Adjustment and Policy Change Requests

Universal Notice and CDBG-DR Action Plan

The state requests that HUD publish a Universal Notice for Community Development Block Grant – Disaster Recovery (CDBG-DR) that enables HUD to rapidly review and approve NC's HUD Action Plan following a period of public comment and adjudication.

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 Homeland Security – Federal Emergency Management Agency (FEMA)

Additional Funding Requested:	\$1.75 billion (excl. IA, PA, HMGP)
Competitive Funding Requested:	\$0.04 billion
Funding from HR 10545 Requested:	\$0 ⁴
Total:	\$1.79 billion

Since Hurricane Helene reached North Carolina on September 27, FEMA has played a lead role in coordinating the federal disaster response and providing immediate Individual Assistance and Public Assistance 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.

Congress appropriated nearly \$29 billion to FEMA for immediate disaster response in HR 10545, but additional FEMA-based programs will support local government operations and flood risk reduction as described below.

Additional Funding Requested

FEMA non-eligibility-based programs – \$1.75 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

⁴ The state does not expect any additional FEMA funding from HR 10545 beyond the \$6.15 billion in FEMA IA, PA, and HMGP reimbursements and Disaster Unemployment Assistance (DUA) payments based on eligibility.

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.

Competitive Funding Requested

Flood Mitigation Assistance (FMA) Grants - \$30 million

FEMA administers FMA grants, which focus on reducing or eliminating the risk of repetitive flood damage to buildings and structures that the National Flood Insurance Program insures. For the FY 2022-23 grant cycle, North Carolina received \$23.4 million, which funded 12 projects, to protect against flooding and tropical cyclones. The state requests that North Carolina projects are prioritized in the grant award process to increase the funding the state receives. Additional funding from the FMA grant program would allow North Carolina, and other states, to be more flood resilient and, in North Carolina, help western North Carolina communities compete for additional resources to lessen future flood damage.

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, 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

Extend Federal Cost Share for FEMA Emergency Work

North Carolina requests that FEMA extend for an additional 180 days the 100% federal cost share for FEMA Emergency Work to ensure all the debris is removed. In December, the NC Department of Environmental Quality estimated that about 15 million cubic yards (CY) of debris material will need to be disposed of. However, the NC Department of Public Safety estimated that the total debris removal mission has disposed of only about 3.7 million CY of debris as of January 29, 2025. Delays have been driven by a range of factors, including the protracted ramp-up of the US Army Corps of Engineers (USACE) (contributing only about 1.1M CY of the total debris removed to date) and the topographical and logistical complexity of the western North Carolina region. North Carolina set target deadlines for the US Army Corps of Engineers to assist with resource allocation and operational decisions. Those targets are:

- Right of Way: first pass by March 1, 2025, and completion by April 1, 2025;

- Waterway: all visible and hazardous debris removal completion by May 1, 2025, with remaining debris removed by June 1, 2025; and
- Private and Commercial Property: completion by June 30, 2025.

Extend Deadline for FEMA Individual Assistance (IA)

The state seeks a 90-day application deadline extension for FEMA IA for individuals and households who have sustained losses due to the disaster. The state recognizes this might need to be done in 30-day increments. The region’s scale of property destruction and the high number displaced individuals has prevented many eligible applicants from submitting timely submission for aid they desperately need.

Reimburse Costs for Private Roads and Bridges Repair

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 streamlines the process authorizing Public Assistance for private roads and bridges 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.

Reimburse Permanent Home Repairs

North Carolina requests that FEMA 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.

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 41 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 has requested a waiver for Large Project Notification and asked FEMA to extend Expedited Project Worksheets. Those requests currently reside with FEMA; North Carolina requests approval of those waivers.

Disaster Unemployment Assistance (DUA) Extension

North Carolina seeks an extension in the Disaster Unemployment Assistance (DUA) period for payments past the current deadline of March 29, 2025, to September 6, 2025, to ensure that those filing for benefits by the newly extended deadline of March 10, 2025, can still receive all benefit payments – 12 weeks of state payments and 14 more weeks of federal payments.

Review Reimbursement Practices

The state requests that Congress change FEMA reimbursement practices to ensure reimbursements for State Active-Duty costs, including domestic disaster response, incurred by a State’s National Guard be returned to that particular National Guard and not to the General Fund of 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.

Extend Stream Debris Removal Distance

Due to the topography and hydrology of the western North Carolina mountain region, debris travels significantly farther downstream than in coastal flooding events. North Carolina requests that FEMA 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.

Reduce Burden and Delays for Cropland Restoration

North Carolina 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.

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 municipal owned systems, seven co-operative owned electrical systems, and two major private electrical providers that serve nearly two million households. North Carolina will need an additional \$1.08 billion to make infrastructure and technology upgrades to secure a more resilient 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 could aid in meeting the over \$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). 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.

Over 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 requests \$1 billion in loan credits for North Carolina's State Energy Office from the U.S. Department of Energy to establish a State Energy Financing Institution (SEFI) and fund microgrids for communications infrastructure.⁵ Once established, the SEFI will enable North Carolina to leverage significant investments from DOE's Loan Program Office, providing financing support or credit enhancements for eligible energy projects. This investment 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.

⁵ Note, potential awards from applications for discretionary funding are not factored into request totals.

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:	\$0.5 billion
Competitive Funding Requested:	\$0.4 billion
Funding from HR 10545 Requested:	\$0.7 billion
Total:	\$1.6 billion

Hurricane Helene has 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 have 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.

There remains a substantial need for targeted support to ensure full restoration of damaged utilities and safeguard environmental health. The assistance requested from the EPA will help in improving water quality and infrastructure, carrying out brownfield assessments, restoring damaged rivers, and supporting effective hazardous waste management.

Funding Requested from HR 10545

State and Tribal Assistance Grant – \$690 million

Of the \$3 billion allocated by Congress in HR 10545 to the Clean Water State Revolving Fund for wastewater treatment and drinking water facilities, North Carolina is estimated to receive \$630 million. However, this amount will cover only about half of the \$1.2 billion needed to repair water system damages in affected communities.

Congress further appropriated \$85 million for the State and Tribal Assistance Grant’s Clean Water State Revolving Fund in HR 10545 to improve resilience of decentralized wastewater treatment systems by promoting interconnection. It remains unclear how these funds will be allocated, but North Carolina requests an allocation of \$17 million from this appropriation to connect more homes to decentralized systems.

Similarly, Congress appropriated \$60 million to State and Tribal Assistance Grant’s Drinking Water State Revolving Fund in HR 10545 for water emergencies technical assistance and grants. It remains unclear how these funds will be allocated, but North Carolina seeks an allocation of \$12 million from this appropriation.

Encouragingly, 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.

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.

Additional Funding Requested

State and Tribal Assistance Grant – \$500 million

The state requests a total of \$1.2 billion in State and Tribal Assistance Grant funding; North Carolina requests a supplemental appropriation of \$500 million in addition to the \$630 million allocation expected from Congress's appropriation to EPA for State and Tribal Assistance Grants in HR 10545. These funds would support some of our costliest needs, including but not limited to the repair of wastewater infrastructure, system interconnections across cities and counties, and emergency technical assistance.

Resource Conservation and Recovery Act – \$20 million

The state requests \$20 million in Resource Conservation and Recovery Act (RCRA) compliant funding from EPA. Currently, RCRA funds can only be used for assessment and cleanup, leaving owners, operators, or the state responsible for specific repair costs. With this allocation, the state further requests that Congress grant flexibility in the eligible uses of RCRA funds to include necessary repairs in Helene-impacted counties.

Funding will be used to support projects related to waste removal, remediation, emergency infrastructure repair, orphaned tanks, and underground storage tanks. DEQ also plans to use funding for resilient materials to be used for repairing or replacing infrastructure in solid waste or recycling facilities.

There was \$17 million provided by Congress to EPA's Leaking Underground Storage Tank Fund Program in HR 10545, but it is unclear how much of this appropriation would be allocated to North Carolina. While North Carolina would be grateful for a substantial share of this funding, that amount would not be enough to cover the state's recovery needs in this respect. Hurricane Helene caused petroleum releases from countless home heating oil tanks, above ground storage tanks, and auto shops. These releases are hazardous and need complete assessment and remediation. As of November 4th, 2024, DEQ had received notification of releases from 115 large quantity generators, 405 small quantity generators, and 1,838 very small quantity generators in North Carolina counties under disaster declaration.

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, the treatment of contaminated water, and to support connections between systems. The state requests that Congress instruct EPA to waive any non-federal match requirement for awards provided by these programs.

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. Gray water systems provide climate resilience and community support by providing resources in disaster impacted areas. 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 resiliency planning.

Department of Agriculture (USDA)

Additional Funding Requested:	\$0
Competitive Funding Requested:	\$0
Funding from HR 10545 Requested:	\$1.87 billion
Total:	\$1.87 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 will need funding for 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 the 100 North Carolina counties having a disaster declaration. USDA funding will assist in providing 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.

Funding Requested from HR 10545

Office of the Secretary – \$1.2 billion

Of the nearly \$31 billion in funding appropriated to USDA in HR 10545, North Carolina expects that \$1.18 billion be directed to our state in Disaster Assistance Block Grants for crop and timber losses.

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 the 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 that 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 these costs significantly over the past 6 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.

North Carolina also requests that Congress authorize FSA to administer the EFRP cost share as a grant - rather than on a reimbursement basis - to increase the ability of the predominantly small-scale landowners in the region to participate in the program. Furthermore, the state requests that FSA extend the application deadline through October 1, 2025.

Aerial surveys indicate 822,000 acres of western North Carolina timberland received some level of 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 dollars from NRCS’ EWP program. The state would 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 mountain 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 over \$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 the western North Carolina mountain region, 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 requested allocation (\$44.1 million) would be dedicated toward 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 still only partially operational or operating on back-up power, three remain with no power, and five are closed with significant damage. The storm impacted 88 total wastewater systems. While Congress provided over \$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 facilities and equipment, and that of local partners - are critical to reaching the most vulnerable members of affected communities.

Policy Changes

Expedite Permit Review and Approval

The state requests an expedited review and potential approval from the US Department of Agriculture's Forest Service and the Army Corps of Engineers of special use permit (Form 299) to investigate sites in the Pisgah National Forest for quality rock material to use to rebuild I-40, as well as authorize material storage sites near the construction project.

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 by 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 over 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 1-8 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 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.

Department of Defense – Army Corps of Engineers (USACE)

Additional Funding Requested:	\$ 1 million
Competitive Funding Requested:	\$ 0
Funding from HR 10545 Requested:	\$200 million
Total:	\$201 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 that at least 10 dams overtopped during the hurricane; overall, 75 dams will need to be removed, 13 can be repaired, and additional dams will need to be replaced. Ensuring the structural integrity of dams, dikes, and levees is critical to reducing the risk of life, property loss, and surface and groundwater contamination that could result from dam breaches and failures. Furthermore, the hurricane damaged over 5,000 miles of state-maintained roads in western North Carolina, as well as over 1,300 bridges and culverts and 1,000 miles of private roads.

Assistance from the U.S. Army Corps of Engineers (USACE) will provide 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.

Funding Requested from HR 10545

Congress appropriated nearly \$1.5 billion in funding to USACE in HR 10545 to study flood and storm damage reduction, to repair infrastructure, and to 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 over \$200 million in specific needs that USACE is best equipped to meet.

Water Infrastructure – \$130 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 support the 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 will need to be removed, 13 can be repaired, and additional assessments are needed to determine the number of dams that will need to be replaced. DEQ would prioritize the repair of dams that pose a substantial threat to the health, safety, and welfare of downstream residents and businesses.

The state also requests that \$50 million support flood risk management capabilities including funding for programs that can be of immediate assistance in ensuring the USACE has ample resources to carry out recovery and mitigation. These funds would allow USACE to study and, if feasible, construct projects or implement programs to reduce the risk to life and property from flood situations.

Lastly, the state requests \$30 million of USACE funds to support debris management efforts across western North Carolina. USACE removal operations are active in multiple locations, including Lake Lure, Buncombe County, and Asheville. Key priorities include clearing right-of-way debris, developing alternative disposal strategies to address potential landfill capacity issues, assessing waterway debris to define the removal scope. All state and federal agencies are continuing to work together to refine tasks, identify opportunities to repurpose debris materials, and establish processes for continued response.

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 would 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 would need 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.

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.

Policy Changes

Expedite Permit Review and Approval

The state requests an expedited review and potential approval from the US Department of Agriculture's Forest Service and the Army Corps of Engineers of special use permit (Form 299) to investigate sites in the Pisgah National Forest for quality rock material to use to rebuild I-40, as well as authorize material storage sites near the construction project.

Department of Health and Human Services (US HHS)

Additional Funding Requested:	\$ 76.4 million
Competitive Funding Requested:	\$ 0.0 million
Funding from HR 10545 Requested:	\$ 74.0 million
Total:	\$150.4 million

Hurricane Helene’s impact on essential services has been severe, with critical health and childcare infrastructure significantly affected across the region. A total of 145 healthcare facilities sustained damage, hampering the delivery of medical care to communities in need. Additionally, 55 childcare centers sustained damage severe enough to prevent their reopening, creating challenges for working families seeking safe, reliable childcare 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 that may already face challenges in accessing healthcare and social services. The state estimates an overall need of \$821 million to repair healthcare facilities and address urgent needs in public health, social services, mental health, childcare, and other health needs.

Funding Requested from HR 10545

Childcare and Development Block Grant – \$74 million

North Carolina is requesting \$66 million in Childcare and Development Block Grant funding in addition to the \$8 million the state expects to receive from the \$500 million appropriation for US HHS in HR 10545 for Child Care and Development Block Grant payments to states, for a total of \$74 million. The state would use this block grant funding to provide one-time disaster relief grants to childcare providers, including childcare centers, homes, and Pre-K sites in Helene-impacted counties.

These payments are required to keep the fragile childcare infrastructure in western North Carolina functional, supporting affected families, maintaining the childcare workforce, and sustaining the region's economic vitality.

Additional Funding Requested

Office of Child Family Services (OCFS) – 4.5 million

Child welfare grant programs – \$4.5 million

North Carolina requests a total of \$4.5 million across four child welfare programs to support the more than 4,000 children in foster care in impacted counties, resource families involved in child welfare, and support 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 that foster care involved youth, and families can continue to 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; and
- \$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) – \$68.9 million

Low-Income Home Energy Assistance Program (LIHEAP) – \$44 million

North Carolina requests \$44 million in LIHEAP funds to ensure that 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, and
- \$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 to healthcare.

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 has already received to address a total of \$10 million in needs.

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

Department of Commerce (DOC)

Additional Funding Requested:	\$ 88 million
Competitive Funding Requested:	\$ 40 million
Funding from HR 10545 Requested:	\$207 million
Total:	\$335 million

Hurricane Helene has 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 backbone 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, provide 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.

Funding Requested from HR 10545

Economic Development Administration (EDA) – \$207 million

North Carolina requests and expects an estimated share of \$207 million from the \$1.5 billion that was appropriated to DOC in HR 10545 for economic development assistance. The state would allocate these funds across three areas to promote long-term economic recovery in the areas hardest hit by Hurricane Helene:

- Provide funds to local governments for repairing business-focused infrastructure, retrofitting existing commercial facilities, and creating disaster-resilient features in business zones that were devastated by Hurricane Helene,
- Capitalize a statewide revolving loan fund to support working-capital loans to cover operating expenses for struggling businesses, helping them manage immediate financial obligations and maintain operations during the recovery period, and
- Support training initiatives in partnership with businesses to equip displaced workers with skills for high-demand, resilient sectors, emphasizing disaster-resilient job training and workforce diversification efforts.

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.

Federal Communication Commission (FCC) – \$10 million

Emergency E-rate Program – \$10 million

North Carolina requests \$10 million through the Emergency E-rate program to replace IT equipment that was damaged or lost because of Hurricane Helene. Following Hurricanes Harvey, Irma, and Maria, the Federal Communications Commission (FCC) made these additional funds available through order FCC 17-139 to help impacted schools and libraries restore services and replace equipment.

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) – \$40 million

Distressed Area Recompete Pilot Program (Recompete) – \$40 million

North Carolina requests additional funding through EDA to expand capacity for Recompete to provide local governments and organizations with flexible funding to support economic development activity and connect people to jobs. A Recompete expansion, if modified to target areas with a disaster declaration, will cover at least the 13 counties in North Carolina that sustained significant damage from Hurricane Helene and already qualify for Recompete under its pilot program eligibility criteria.

Congress authorized for up to \$1 billion in the CHIPS and Science Act, and the Recompete Program received \$200 million in initial appropriations for the 2023-24 competition. If Congress allocates an additional \$200 million to the program for all areas with a recent disaster declaration, North Carolina anticipates successfully competing for \$40 million in total awards.

Department of Education (ED)

Additional Funding Requested:	\$107 million
Competitive Funding Requested:	\$0
Funding from HR 10545 Requested:	\$0
Total:	\$107 million

With over 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 has 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. The state will use requested funding to provide higher education, elementary and secondary education hurricane relief support, which is crucial to providing stability for students as the region moves toward long-term recovery.

Congress did not provide any additional funding for ED in HR 10545. North Carolina requests that the federal government grant the state’s original request for funding from November 2024 to address Hurricane Helene-related educational needs.

Additional Funding Requested

Office of Elementary School and Secondary Education (OESE) – \$100 million

Temporary Emergency Impact Aid for Displaced Students – \$58 million

The state requests \$58 million through Temporary Emergency Impact Aid for Displaced Students to provide funds to the North Carolina Department of Public Instruction (DPI) to assist with the cost of educating displaced students. DPI is currently assessing how many students were displaced and have enrolled in schools elsewhere.

Immediate Aid to Restart School Operations (RESTART) – \$38 million

North Carolina requests \$38 million through the Immediate Aid to Restart School Operations (RESTART) program to support public and nonpublic K-12 schools with restarting operations, re-enrolling students, and reopening in areas affected by the disaster. RESTART funding will help schools cover items such as replacing instructional materials, equipment, and information systems; recovering data; renting mobile educational units; and covering educator-related costs.

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.

Project School Emergency Response to Violence (SERV) – \$1 million

North Carolina requests \$1 million in Project School Emergency Response to Violence (SERV) funding for short-term education-related services following violent or traumatic disruptions to the learning environment. This funding would support overtime for teachers, counselors, law enforcement and security officers, emergency transportation and other costs to operate school at an alternative site, targeted mental health assessments, and temporary security measures.

Office of Post-Secondary Education (OPE) – \$4 million

Emergency Assistance to Institutions of Higher Education – \$3 million

The state requests \$3 million in Emergency Assistance to institutions of higher education to help institutions in disaster-impacted counties expand student aid, support faculty and staff salaries, and assist homeless students.

Defraying Cost of Enrolling Displaced Students in Higher Education Program – \$1 million

North Carolina requests \$1 million through the Defraying Costs of Enrolling Displaced Students in Higher Education program. These funds would help institutions of higher education defray unexpected expenses associated with enrolling displaced students from disaster-impacted institutions.

Federal Student Aid (FSA) – \$3 million

Federal Supplemental Education Opportunity Grant – \$3 million

North Carolina requests \$3 million for Federal Supplemental Education Opportunity Grants to provide awards of \$100 to \$4,000 to undergraduate students who demonstrate exceptional financial need resulting from the disaster. These grants would help students maintain enrollment at community colleges, UNC institutions, and private colleges and universities by assisting with tuition, fees, and other emergency expenses.

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 has 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 not only for ecological health but also 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 will support 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 supporting 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 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. Of particular concern is the Blue Ridge Parkway, the majority of which remains closed in North Carolina as of November 7, 2024. 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 utilize 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.

Funding 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 Parks 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 that 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 caused by Hurricane Helene. 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.

Department of Labor (DOL)

Additional Funding Requested:	\$48 million
Competitive Funding Requested:	\$0
Funding from HR 10545 Requested:	\$0 ⁶
Total:	\$48 million

The economic impact of Hurricane Helene has been 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 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 – \$48 million

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 dislocated worker training and employment programs at the state and local levels. The state has received an initial installment of \$2 million. North Carolina may reapply for additional small installments, after expending 70% of the previous installment, up to \$10 million.

However, the state needs additional support and funding certainty. Based on past funding precedents, including \$18.5 million and \$15 million for Hurricanes Florence and Matthew, respectively, North Carolina requests an additional \$48 million from DOL to fully meet the current needs of the state’s dislocated workforce, bringing the total allocation to \$50 million.

The state also requests that 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 to reduce administrative burden.

As of January 15, 2024, over 25,000 North Carolinians were unemployed due to Helene and had filed for state and/or federal unemployment benefits with the NC Division of Employment Security. This is nearly three times the number of individuals who received benefits due to Hurricane Florence.

⁶ The state does not expect any additional funding from HR 10545 beyond the expected additional \$11 million in disaster-related unemployment payments.

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 USDT 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 would 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 set at \$3 per capita. North Carolina requests a special disaster credit increase of 50%, or \$4.50 per capita, which would be an increase of \$16.5 million. The state would utilize these additional funds for projects in disaster-declared counties.

Congress has 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 had 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 – 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 hurt the state’s ability to restore its affordable housing stock after the storms.

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, ensuring that 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 support for the extension of the deadlines in the American Rescue Plan Act (ARPA) for the obligation and expenditure of State and Local Fiscal Recovery Funds by two year (currently deadlines are 12/31/24 for obligation and 12/31/26 for expenditure).

American Rescue Plan Act (ARPA) Capital Project Extensions

The state requests support for the extension of the 12/31/26 expenditure deadline for ARPA capital project funds by two years. Helene left a trail of destruction across over 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 will require additional time to return to full functionality. To ensure they can rebuild and expand broadband infrastructure, an extension of ARPA funds is essential, enabling them 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 requests that Congress allow the thousands of small businesses and farms impacted by the storm to fully deduct Helene-caused losses on their federal income tax returns for tax years 2024 through 2026, rather than having losses limited to 80% of taxable income, and carry back those losses to the two most recent tax years.

Congress has 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. Providing this tax relief will help sustain small businesses and farms until they are able to build back to normal operations.

The state is additionally requesting that 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 is needed to address 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.

Expand Credit Availability for Small Businesses

North Carolina requests authorization from the Department of Treasury to retain funds provided for the Rapid Recovery Loan Program under the 2020 CARES Act. The state would repurpose these funds for disaster lending and grants to small businesses affected by Hurricane Helene.