

NOTES TO THE FINANCIAL STATEMENTS**NOTE 25: SUBSEQUENT EVENTS****Primary Government****A. Disaster Relief***Hurricane Helene*

In September 2024, Hurricane Helene brought high winds, widespread heavy rainfall in excess of 30 inches in some areas, record flooding, and significant loss of human life and property in western North Carolina. At its peak, Hurricane Helene was a Category 4 storm with winds reaching 140 mph. With record-breaking rainfall that created 1,000-year flood events in several counties, it devastated the people, infrastructure, businesses, and schools of entire communities. Countless homes, buildings, roads, bridges, and properties were destroyed or damaged, and entire communities lost power, water, sewer, communication, and other essential services due to devastation. In addition, tornadoes were generated across the State as Hurricane Helene passed, causing significant damage in areas outside of the storm's immediate path. Hurricane Helene resulted in 103 confirmed fatalities. On September 28, 2024, 25 counties in North Carolina were declared a major disaster by the President of the United States under the Stafford Act, approving individual and public assistance for affected counties.

On October 10, 2024, "The Disaster Recovery Act of 2024" (Session Law 2024-51) was approved, and the Helene Fund was established to provide necessary and appropriate relief and assistance from the effects of Hurricane Helene. The Office of State Budget and Management (OSBM) is administering the Helene Fund. On October 16, 2024, the Office of the State Controller (OSC) transferred \$273 million from the Savings Reserve to the Helene Fund. Amounts are appropriated within the Helene Fund for the duration of the recovery efforts for the following:

- 1) \$250 million to the Department of Public Safety (DPS), Division of Emergency Management, to provide the State match for federal disaster assistance programs for State agencies and units of local governments;
- 2) \$16 million to the Department of Public Instruction (DPI) to supplement or replace lost compensation of school nutrition employees due to school closures resulting from Hurricane Helene;
- 3) \$2 million for the OSBM to provide grants to the North Carolina League of Municipalities, the North Carolina Association of County Commissioners, and the North Carolina Association of Regional Councils of Governments to provide technical assistance with local recovery funds; and
- 4) \$5 million to the State Board of Elections to facilitate voting in the counties listed in the act.

On October 25, 2024, "The Disaster Recovery Act of 2024 – Part II" (Session Law 2024-53) was approved and provides additional necessary relief and assistance from the effects of Hurricane Helene. On November 13, 2024, OSC transferred \$604.15 million from the Savings Reserve to the Helene Fund. Amounts are appropriated within the Helene Fund for the duration of the recovery efforts for the following:

- 1) Education: \$16.75 million to the North Carolina Community College System, \$65 million to DPI, and \$20 million to the University of North Carolina;
- 2) Health and Human Services: \$71.4 million to the Department of Health and Human Services;
- 3) Agriculture, Natural, and Economic Resources: \$56 million to the Department of Commerce and \$139 million to the Department of Environmental Quality (DEQ);
- 4) Justice and Public Safety: \$130 million to DPS; and
- 5) General Government: \$5.5 million to OSBM and \$100.5 million to the Department of State Treasurer (DST).

On December 11, 2024, "The Disaster Recovery Act of 2024 – Part III" (Session Law 2024-57) was approved and provides additional necessary relief and assistance from the effects of Hurricane Helene. OSC will transfer \$227 million from the Savings Reserve to the Helene Fund and the funds will remain unspent until appropriated by an act of the General Assembly. Amounts will be appropriated and used as follows:

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- 1) Department of Agriculture and Consumer Services - \$25 million from the State Emergency Response and Disaster Relief Fund (SERDRF) to the Helene Fund to the Department of Agriculture and Consumer Services for purposes in the affected area authorized under the Streamflow Rehabilitation Assistance Program;
- 2) DEQ - \$100 million funds appropriated from the Helene Funds to DEQ to be used consistently with the loan program established in Section 4C.7.(a) of Part III and cognizant of the emergency relief related objectives underlying G.S. 159G-33(a)(4) and G.S. 159G-34(a)(4);
- 3) DST - \$100 million funds appropriated to be used to provide cash flow loans to local governments in the affected area as established in Section 4E.5.(a) of Part III; and
- 4) Department of Agriculture and Consumer Services - \$2 million nonrecurring funds to be used for purposes in the affected area authorized under the Streamflow Rehabilitation Assistance Program created by Article 6 Chapter 139 of the General Statutes.

Tropical Storm Debby

In August 2024, Tropical Storm Debby brought wind gusts, heavy rainfall, and flooding to southeastern North Carolina. On October 25, 2024, “The Disaster Recovery Act of 2024 – Part II” was approved and provides necessary relief and assistance from the effects of Potential Tropical Cyclones (PTCS) and Tropical Storm Debby. On November 13, 2024, OSC transferred \$40 million from the Savings Reserve to the OSBM Disaster Relief Reserve. Amounts are appropriated within the OSBM Disaster Relief Reserve to DPS for justice and public safety.

Rebuild NC Program

On December 11, 2024, “The Disaster Recovery Act of 2024 – Part III” (Session Law 2024-57) was approved. OSC will transfer \$50 million from the SERDRF to the OSBM Disaster Relief Reserve for allocation to the Office of Recovery and Resiliency to support homeowner recovery projects under the Rebuild NC program for the 2024-2025 fiscal year.