



HOUSE BILL 200: 2019 Storm Recovery/Var. Budget Corrections.

2019-2020 General Assembly

Committee:		Date:	January 9, 2020
Introduced by:		Prepared by:	Kory Goldsmith Staff Attorney
Analysis of:	S.L. 2019-250		

OVERVIEW: *S.L. 2019-250 provides funds for (i) disaster relief from Hurricane Dorian (ii) resiliency measures against future storms, and (iii) the Rural Health Care Stabilization Fund. It also makes corrections to various budget-related bills and enacts certain budget provisions from House Bill 966, 2019 Regular Session.*

Sections 3.6 and 3.7 became effective July 1, 2019. Section 3.8 became effective May 16, 2019. The remainder of the act became effective November 18, 2019.

BILL ANALYSIS:

SECTION 1.1 appropriates approximately \$105 million dollars (nonrecurring funds) to be used as the State match to draw down federal funds that are available for disaster recovery efforts necessitated by Hurricanes Florence, Matthew, Michael, and Dorian. It also appropriates \$17.6 million dollars as the State match to draw down federal funds for the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund.

SECTION 1.2 appropriates approximately \$59 million dollars (nonrecurring funds) to various agencies, nonprofit corporations, and local governments for recovery and resiliency efforts necessitated by past hurricanes and to mitigate or prevent losses in the event of future natural disasters.

SECTION 1.3. appropriates both recurring and nonrecurring funds for three disaster recovery items: the NC 2-1-1 program operated by the United Way, seven time-limited positions in the Division of Emergency Management, and a long-term service contract for the Voice Interoperability Plan for Emergency Responders (VIPER). These appropriations originally appeared in House Bill 966, 2019 Regular Session (2019 Appropriations Act) and this section is repealed if H966 becomes law.

SECTION 1.4. appropriates approximately \$13.4 million dollars (nonrecurring funds) during the 2019-2020 fiscal year, and approximately \$6.6 million dollars (nonrecurring funds) during the 2020-2021 fiscal year to the Rural Health Care Stabilization Fund created in S.L. 2019-240.

SECTION 3.1. grants flexibility to agencies that have received funds for disaster recovery under this and numerous prior acts. Agencies may now redirect unexpended or encumbered funds appropriated in response to one disaster to another disaster provided the funds are used for the same purpose or program authorized in the original appropriation.

SECTION 3.2. allows local governments to award contracts to State prequalified construction contractors for the repair, rehabilitation, or construction of private residential structures funded with State or federal disaster recovery funds.

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SECTIONS 3.3. makes the North Carolina Office of Recovery and Resiliency (NCORR) of the Department of Public Safety (DPS) the designated grantee for federal Community Development Block Grant Disaster Recovery awards (CDBG-DR).

SECTION 3.4. allows the Community College System Office to continue to use certain disaster recovery funds to offset receipt shortfalls due to enrollment declines caused by Hurricane Florence.

SECTION 3.5. implements various recommendations made by the Joint Legislative Committee on Program Evaluation to improve disaster recovery efforts. These changes include:

- Notifications by the Secretary of Public Safety to various executive and legislative entities of the possibility to draw down CDBG-DR awards after a disaster.
- Collection of data and solicitation of feedback by the Department of Public Safety (DPS) from entities receiving State or federal disaster relief funds regarding ways to improve the administration of the funds. Also directs DPS to use a cost factor when awarding contracts for professional services and establish minimum competencies for staff who administer the CDBG-DR program.
- Creates specific reporting requirements by NCORR related to CDBG-DR awards.

SECTION 3.6. corrects the amount transferred from the Hurricane Florence Disaster Recovery Reserve to reflect the actual amount available to be transferred. This Section became effective July 1, 2019.

SECTION 3.7. expands the pool of individuals who are eligible to receive State funds under a pilot program to help defray the cost of flood insurance. Under the revised criteria, the applicant must not have earned more than 80% of the subject area median income during the preceding year, the property must be the applicants primary residence, and the property must be insurable.

SECTION 3.8. clarifies that the reporting requirements related to the Hurricane Florence Recovery Fund apply to certain funds transferred to the Department of Transportation.

SECTIONS 4.1. – 4.7. contain various instructions, limitations, and directions that typically appear in disaster recovery bills.

SECTION 4.8. defines "directed grant" as funds allocated by a State agency to a non-State entity as directed by the General Assembly. A non-State entity is currently defined in the State Budget Act as any of the following that is not a State agency: an individual, a firm, a partnership, an association, a county, a corporation, or any other organization or group acting as a unit. The term includes a unit of local government and public authority. The Section also includes reporting and distribution requirements. The funds do not revert until June 30, 2021, and this section expires June 30, 2021.

SECTIONS 5.1. – 5.6. make technical and conforming changes to various appropriations bills enacted during the 2019 Regular Session.

SECTION 5.7. requires that all funds received by the State, including cash gifts and donations, must be deposited into the State treasury.

SECTION 5.8. clarifies that transfers of employees by department heads are subject to the State Budget Act and that no employee may be transferred from one department to another department except with the express authorization of the General Assembly.

SECTIONS 5.9. and 5.11. make various clarifying and technical changes to the State Budget Act.

SECTION 5.10. requires that agencies that are directed to submit a report to the General Assembly must also publish the report on the agency's public Internet Web site.

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