



## NCGA 2024 Legislative Session Budget and Fiscal Policy Highlights

### Executive Summary

This document summarizes all budget and revenue actions taken by the General Assembly (NCGA) in calendar year 2024. The NCGA adjourned sine die on Friday, December 13, 2024 without enacting a Current Operations Appropriations Act of 2024. However, the General Assembly enacted five bills that affected the 2023-25 biennial budget and appropriated an additional \$813 million from the General Fund and an additional \$398 million from General Fund reserves for the ongoing operations and programs of State government in FY 2024-25. These actions, combined with the FY 2024-25 budget previously enacted in SL 2023-134, [2023 Appropriations Act](#), provide \$31.7 billion in net General Fund appropriations for FY 2024-25, which is \$1.9 billion above the FY 2023-24 total, a 6.5% increase.

The General Assembly also tapped the cash balances in the Savings Reserve and the State Emergency Response and Disaster Relief Fund (SERDRF) for disaster response and recovery efforts across the State. Three separate bills appropriated a total of \$994.2 million for disaster relief, of which \$904.2 million is dedicated to the recovery from the effects of Hurricane Helene in western North Carolina. The Rebuild NC program, which was created in the aftermath of Hurricanes Matthew and Florence to support homeowner recovery projects, received a total of \$80 million. The General Assembly also appropriated \$10 million to provide State matching funds for federal disaster assistance programs in response to Potential Tropical Cyclone #8 (PTC8) and Tropical Storm Debby.

Some of the major appropriations in the 2024 Session, including transfers from Reserves, follow:

- **Education Investments:** Appropriated \$583.2 million in additional funds to support students in a wide variety of settings, including:
  - \$463.5 million for Opportunity Scholarships and \$24.7 million for Personal Education Student Accounts for Children with Disabilities to eliminate the waitlists for both programs and fund anticipated increases in future years.
  - \$95 million for the ADM Contingency Reserve within the Department of Public Instruction to fund growing public school units.
  - \$64 million for enrollment increases in the State's community colleges, \$7.8 million to offset enrollment losses at five university institutions, and \$13 million in performance funding for the UNC system.
- **Economic Development:** Appropriated \$150 million to the Department of Transportation from the Economic Development Project Reserve to continue infrastructure improvements associated with the megasite in Randolph County.
- **Disaster Response:** Appropriated \$904.2 million from reserves for Hurricane Helene recovery efforts to 11 State agencies and universities, including \$380 million to the Department of Public Safety, Division of Emergency Management, for State match for federal disaster assistance programs, unmet needs, and floodplain mapping, \$100 million to the Department of Environmental Quality for emergency bridge loans for water and wastewater infrastructure repairs, and \$100 million to the Department of State Treasurer for a cash flow loan program to support local governments with federally-reimbursable disaster recovery projects.

## Summaries of Appropriations Acts

In odd-numbered years, during the Long Session, the General Assembly typically enacts a biennial budget in a Current Operations Appropriations Act that makes appropriations for each fiscal year of the upcoming biennium (see S.L. 2023-134, [2023 Appropriations Act](#)). In even-numbered years, during the Short Session, the General Assembly typically enacts a Current Operations Appropriations Act that makes changes to the second year of the biennial budget that was enacted in the preceding year in the Long Session. During the 2024 Short Session, the General Assembly did not pass a Current Operations Appropriation Act amending the biennial budget. However, the NCGA enacted five individual bills (four appropriations bills and one budget technical corrections bill) that made changes to the 2024-25 fiscal year operating budget. One of these bills also contained appropriations related to Hurricane Helene response and recovery efforts.

The General Assembly also enacted two stand-alone appropriations bills in response to Hurricane Helene in addition to the various appropriations bills mentioned above.

Highlights of the main budget appropriations from those seven bills are summarized below.

- S.L. 2024-1 (Senate Bill 508), [2023 Budget Tech/Other Corrections](#): This session law made various technical changes to appropriations made in the 2023 Appropriations Act as well as other legislation. No new or additional appropriations were made in this session law.
- S.L. 2024-39 (Senate Bill 332), [2023 Appropriations Act Changes](#): This session law enacted various salary schedules for teachers and principals for FY 2024-25 and authorized the concurrent salary increases for all K-12 personnel, including principal bonuses. It also authorized State agency personnel that are paid under the teacher salary schedule to be paid based upon the new schedule. Funding to support these increases was provided in S.L. 2023-134, [2023 Appropriations Act](#).
- S.L. 2024-40 (Senate Bill 357), [Adjustments to the 2023 Appropriations Act](#): This session law extended the reversion date for certain nonrecurring appropriations, provided additional funding for child care stabilization grants, and made reallocations among various programs funded with State Fiscal Recovery Funds (SFRF), the largest of which was the reallocation of \$800 million from the Department of Environmental Quality (DEQ) for water and wastewater grants to the Office of State Budget and Management to be used to offset existing General Fund appropriations across State government. The session law also appropriated \$800 million from the General Fund to DEQ for water and wastewater grants to replace the SFRF funds.
- S.L. 2024-51 (House Bill 149), [The Disaster Recovery Act of 2024](#): This session law created the Hurricane Helene Disaster Recovery Fund (Helene Fund) and transferred \$273 million from the Savings Reserve to the Helene Fund, where it was fully appropriated for recovery efforts. The session law set out various requirements regarding the Helene Fund appropriations, including reversion, certain limitations, and reporting. It also appropriated all federal funds received for State disasters as result of Hurricane Helene or Potential Tropical Cyclone #8 (PTC8).
- S.L. 2024-53 (Senate Bill 743), [The Disaster Recovery Act of 2024-Part II](#): This session law transferred \$604.2 million from the Savings Reserve to the Helene Fund and appropriated these funds for a wide variety of recovery efforts (detail provided in Part II of this Budget Brief). It transferred an additional \$40 million from the Savings Reserve to the OSBM Disaster Relief Reserve to provide \$10 million in State match for federal disaster assistance programs in response to PTC8 and Tropical Storm Debby and \$30 million for the Rebuild NC program. It also set out the parameters for various programs supported by disaster appropriations, provided certain regulatory flexibilities, and made technical corrections to S.L. 2024-51.
- S.L. 2024-55 (House Bill 10), [Require ICE Cooperation & Budget Adjustments](#): This session law included the General Fund Availability Statement for FY 2024-25, additional net General Fund appropriations of \$735.4 million, and \$398 million in new nonrecurring appropriations from the Education and Transportation Reserves. The majority of these appropriations supported enrollment increases in the Opportunity Scholarship program, certain public-school units, community colleges, and universities as well as increases in Medicaid expenses.

- S.L. 2024-57 (Senate Bill 382), [Disaster Relief-3/Budget/Various Law Changes](#): This session law provided \$68.5 million in net General Fund appropriations across various State agencies, the largest of which was \$33.8 million in additional funding for child care stabilization grants administered by the Department of Health and Human Services. It also made the State Highway Patrol an independent State agency effective July 1, 2025 and provided an additional \$2.9 million and 20 positions to support the new agency. It also transferred \$227 million from the Savings Reserve and \$25 million from the State Emergency Response and Disaster Relief Fund (SERDRF) to the Helene Fund. Of those funds, \$27 million was appropriated to the Department of Agriculture and Consumer Services (DACS) to provide technical support to soil and water conservation districts and for debris removal under the Streamflow Rehabilitation Assistance Program.

The remainder of this Budget Brief is divided into two parts. Part I focuses on General Fund appropriations for State agencies and universities and Part II focuses on funding provided for disaster recovery in response to Hurricane Helene.

## **PART 1: General Fund Budget and Fiscal Actions**

### **Appropriations by Area**

The revised FY 2024-25 State Budget includes \$31.7 billion in net General Fund appropriations to State agencies. The following table summarizes those appropriations by subject area:

**Table 1: FY 2024-25 Net General Fund (GF) Appropriations**

<b>Area Committees &amp; Reserves</b>	<b>Initial Certified Budget FY 2024-25</b>	<b>2024 Session Additional Appropriations</b>	<b>NCGA Directed Transfers<sup>1</sup></b>	<b>Revised Certified Budget FY 2024-25</b>	<b>%</b>
Education	17,882,107,948	389,336,557	(65,136,572)	18,206,307,933	57.4%
Health & Human Services	7,735,163,346	420,177,040	(1,073,214)	8,154,267,172	25.7%
Ag., Natural & Econ. Resources <sup>2</sup>	820,180,823	855,100,000	-	1,675,280,823	5.3%
Justice & Public Safety	3,743,818,438	10,348,365	66,209,786	3,820,376,589	12.0%
General Government	524,664,956	3,573,933	-	528,238,889	1.7%
Information Technology	78,971,190	-	-	78,971,190	0.2%
Statewide Reserves <sup>2</sup>	117,743,582	(865,557,077)	-	(747,813,495)	-2.4%
<b>Total, Net GF Appropriations</b>	<b>30,902,650,283</b>	<b>812,978,818</b>	<b>-</b>	<b>31,715,629,101</b>	<b>100%</b>

Note: Net General Fund appropriations does not include funds provided to the State Capital and Infrastructure Fund, disaster appropriations, or other appropriations made to non-General Fund budget codes.

<sup>1</sup> The NCGA directed the transfer of the Center for Safer Schools from the Department of Public Instruction (DPI) to the State Bureau of Investigation (S.L. 2024-57) as well as the transfer of 16 positions and associated salaries and benefits from the Department of Health and Human Services to DPI for the care and maintenance of the Governor Morehead School for the Blind (SL. 2023-134).

<sup>2</sup> Amounts reflect the SFRF swap described above in the summary of S.L. 2024-40.

### **General Fund Availability**

The General Fund Availability Statement is a succinct summary of actual and anticipated General Fund revenue and how that revenue is used in the 2024-25 fiscal year. The Availability Statement, enacted in [S.L. 2024-55](#) contains all of the following four elements:

- General Fund year-end fund balance prior to the beginning of FY 2024-25
- A revised Consensus Revenue Forecast issued in May 2024 for General Fund tax and non-tax revenues
- Statutory and discretionary reservations of General Fund revenue
- General Fund appropriation actions taken by the General Assembly

Appendix A contains a revised Availability Statement for FY 2024-25 that captures additional reversions which were reported after the bill became law.

## **Overall Revenue Picture**

The Fiscal Research Division and the Office of State Budget and Management estimate General Fund revenue through a consensus revenue forecasting process. In even-numbered years for the Short Session, the consensus revenue forecast is issued as a revision of the revenue baseline established in the previous Long Session. In 2024, the revenue baseline was the certified revenue from the 2023 Appropriations Act for the FY 2023-25 biennium.

In 2024, two consensus revenue forecast revisions were issued. The first revision was issued in April 2024 and was used to establish anticipated General Fund revenue for the Governor's recommended budget. This revision anticipated overcollections of roughly \$400 million in FY 2023-24, from \$33.7 billion to \$34.1 billion, and revised revenue upward by roughly \$1 billion for FY 2024-25, from \$33.4 billion to \$34.4 billion. This upward revision was primarily due to better underlying economic conditions than expected. Monetary policy was more restrictive than anticipated, but employment and wage growth remained strong, generating a "soft landing" for the economy as inflation waned without significant increases to unemployment. Expectations for personal income and sales tax were revised upward due to the underlying economic strength.

However, collections during the month of April were lower than the consensus revenue forecasting group had anticipated. The primary reason for the shortfall was lower-than-expected collections from personal income tax final payments. Pass-through entities (PTEs) were identified as causing the shortfall due to behavioral reasons, as entity owners filed both individual and entity-level returns leading to overpayment, lower liability and lower final payments. This behavioral change was expected to affect both fiscal years. Considering this, the consensus revenue forecasting group decided to issue a second revision in May 2024, reducing the April estimates by roughly \$200 million for each fiscal year. Final actual revenue for FY 2023-24 was close to the original pre-revision figure, totaling roughly \$33.7 billion.

The FY 2024-25 forecast anticipated that continued economic momentum would lead to growth in the State's tax base. Factors contributing to this outlook included forecasts of low unemployment, strong retail sales, growth in corporate profits, and increasing State population. General Fund revenue is expected to total roughly \$34.2 billion in FY 2024-25. This revenue figure was enacted in [S.L. 2024-55](#). Tax policy changes from the 2024 session did not have a material impact on the overall revenue outlook.

## **Revenue Adjustments**

Various session laws enacted in 2024 made changes to the State's tax laws, all of which had little to no fiscal impact on FY 2024-25 General Fund revenues. Those tax policy changes are summarized in Appendix B. Tax policy changes related to disaster recovery are summarized in Part II of this Budget Brief

## **Reservations of General Fund Revenue**

Prior to making any General Fund appropriations, [Chapter 143C](#) of North Carolina's General Statutes require an annual transfer of General Fund revenue to the State Capital and Infrastructure Fund (SCIF) and, provided certain conditions are met, either to the Savings Reserve or the Unfunded Liability Solvency Reserve.

For the SCIF, the 2023 Appropriations Act exceeded the amount required to be transferred in FY 2024-25 and no additional funds were added in the 2024 Session. Conditions to trigger a statutory reservation of funds to either of the other two reserves were not met in FY 2024-25; however, the 2023 Appropriations Act made a discretionary transfer of \$125 million to the Savings Reserve in FY 2024-25 bringing the total in the Reserve to almost \$4.9 billion before the transfers out to respond to disaster relief efforts in the Fall 2024.

When the General Assembly adjourned in December 2024, just over \$1.1 billion had been authorized to be transferred out of the Savings Reserve to the Hurricane Helene Fund of which \$879.2 million was appropriated for recovery efforts related to Hurricane Helene, \$30 million was appropriated for the Rebuild NC Program, and \$10 million was appropriated for State match to federal funds received for response to PTC8 and Tropical Storm Debby.

In addition to the statutory reservations, the 2023 Appropriations Act reserved funds for seven other purposes. In [S.L. 2024-55](#), the General Assembly added to the existing reserves by creating a new Education Reserve funded with a \$248

million transfer and increasing the amount reserved for economic development by an additional \$150 million. The total amount reserved in FY 2024-25 is \$11.3 billion. See Table 2 for details about those reservations and subsequent appropriations from those reserves.

**Table 2: Reservations of Revenue and Appropriations from Reserves in FY 2024-25 <sup>1</sup>**

Reserve Name	FY 2024-25		Purpose
	Amount Reserved	Amount Appropriated	
State Capital and Infrastructure Fund <sup>2</sup>	2,161,333,238	2,353,723,332	Provides funds for State and local government capital improvements as well as various local projects.
Savings Reserve <sup>2</sup>	125,000,000	919,150,000	Reserves funds for Rainy Day scenarios.
Clean Water and Drinking Water Reserve	1,000,000,000	1,000,000,000	Provides funding for wastewater systems and drinking water projects for public water systems.
Regional Economic Development Reserve <sup>2</sup>	-	4,650,000	Provides funds for a wide variety of projects at the local level.
Economic Development Reserve <sup>2</sup>	250,000,000	258,400,000	Provides funds for economic development activities outlined in the Appropriations Act.
Medicaid Contingency Reserve <sup>2</sup>	250,000,000	-	Reserves funds for future appropriation in the event that Medicaid costs exceed the amount budgeted.
Medicaid Transformation Reserve <sup>2</sup>	-	60,642,170	Provides funding for Medicaid claims and various Medicaid Transformation projects.
State Emergency Response and Disaster Relief Fund <sup>2</sup>	75,000,000	86,317,906	Reserves funds for future disaster recovery and mitigation needs and provides funds for current disaster purposes.
Information Technology Reserve <sup>2</sup>	-	69,014,653	Provides funds for cybersecurity initiatives and various other information technology projects.
Federal Infrastructure Match Reserve <sup>2</sup>	-	26,082,598	Provides funds for State match requirements for federal aid through the Infrastructure Investment and Jobs Act.
Housing Reserve	45,000,000	45,000,000	Provides funds to the Housing Finance Agency for the Workforce Housing Loan Program and the Housing Trust Fund.
Transportation Reserve	100,000,000	100,000,000	Provides funds to the Department of Transportation for activities outlined in the Act.
NCInnovation Reserve	250,000,000	250,000,000	Provides funds to endow NCInnovation, Inc., a non-profit acting on behalf of the State to support the commercialization of university research.
Education Reserve	248,000,000	248,000,000	Provides funds to eliminate the Opportunity Scholarship Program waitlist for FY 2024-25 awards.
<b>Total, Reserves</b>	<b>11,329,525,738</b>	<b>10,368,434,505</b>	

1. Includes GF reservations of revenue and appropriations from GF reserves in S.L. 2023-134, S.L. 2024-51, S.L. 2024-53, S.L. 2024-55, S.L. 2024-57

2. Reserves noted with an asterisk started the biennium with existing cash balances from transfers made in previous fiscal years.

## **Major Budget Issues of Interest**

This section highlights significant funding actions from the various session laws that appropriated additional funds in FY 2024-25.

### **Education**

#### ***Public Elementary and Secondary Education (K-12)***

Effective with the 2024-25 school year, the General Assembly changed the methodology it uses to account for the number of students enrolled in public schools and their associated costs. The new methodology replaced a somewhat complicated calculation with mid-year adjustments with a new formula that adjust fundings for public schools based solely on prior-year actual average daily membership (ADM) with a contingency fund provided for those public schools with growing ADM. In keeping with this change, [S.L. 2024-55](#) reduced funding to the State Public School Fund by \$36.2 million to account for movement to an arrears-based funding model as well as other technical changes. The session law also provided a \$95 million increase to the ADM Contingency Reserve to support the costs of public schools with growing student populations.

#### ***Nonpublic K-12***

The Opportunity Scholarship Program, which provides grants to families who choose to educate their child in a private school setting, continues to be a major priority of the General Assembly. [S.L. 2024-55](#) appropriated \$248 million on a nonrecurring basis from a new Education Reserve created by law to fully fund the waitlist of approximately 55,000 applicants for the 2024-25 school year. It also provided an additional \$215.5 million in recurring net General Fund appropriations starting in FY 2024-25 to continue the practice of forward funding the program in anticipation of increased demand in future years. The session law also increased the statutory appropriation to the forward-funded reserve for the program through FY 2032-33 where it will reach \$825 million annually. When combined with the recurring \$30 million in the base budget for the program the total amount available for awards will be \$855 million in FY 2032-22 (see Table 4).

**Table 4: Funds Allocated for Opportunity Scholarship Awards**

<b>Fiscal Year</b>	<b>Former Allocation for Awards (Prior to S.L. 2024-55)</b>	<b>Current Allocation for Awards (As revised by S.L. 2024-55)</b>
2024-25	\$293,540,000	\$541,540,000
2025-26	\$384,540,000	\$600,000,000
2026-27	\$445,540,000	\$655,000,000
2027-28	\$460,540,000	\$705,000,000
2028-29	\$475,540,000	\$730,000,000
2029-30	\$490,540,000	\$755,000,000
2030-31	\$505,540,000	\$780,000,000
2031-32	\$520,540,000	\$805,000,000
2032-33	\$535,540,000	\$830,000,000
2033-34	\$550,540,000	\$855,000,000

Note: Figures include both the allocation from the forward-funded Opportunity Scholarship Grant Fund Reserve as well as \$30 million in recurring funds initially appropriated in S.L.2021-180.

Similarly, [S.L. 2024-55](#) also increased funding to the Personal Education Student Accounts for Children with Disabilities Program (PESA), which provides grants to families of children with certain disabilities to assist with their nonpublic educational costs, to match increased program demand, including a \$24.7 million recurring net General Fund appropriation to fully fund the waitlist for the program. Total funding available for awards in FY 2024-25 is 74.6 million., which increases annually under current law by \$1 million each fiscal year through FY 2032-33 where it reaches \$82.6 million annually.

## ***Higher Education***

In public higher education, the General Assembly provided \$64 million in net General Fund appropriations to the North Carolina Community College System Office to support increased community college enrollment on campuses across the State in [S.L. 2024-55](#).

For UNC institutions, the General Assembly provided funding for UNC's enrollment funding model for both resident student credit hours and performance outcomes. Specifically, [S.L. 2024-57](#) appropriated recurring funds of \$574,578 for UNC's enrollment increases and \$13 million in nonrecurring funds to support UNC institutions that met certain performance outcomes related student success, affordability, and productivity. The General Assembly also appropriated \$7.8 million in nonrecurring funds to offset enrollment-related losses experienced at five constituent institutions.

## **Environmental Quality**

### ***Water and Wastewater Infrastructure***

[S.L. 2024-40](#) made various funding reallocations among programs supported with federal State Fiscal Recovery Funds (SFRF), the largest of which was an \$800 million reduction to the Department of Environmental Quality for water, wastewater, and stormwater infrastructure grants, which was replaced with a corresponding \$800 million one-time appropriation from the General Fund for the same purpose. Beginning in 2021, the General Assembly made substantial investments in programs targeting water, wastewater and stormwater infrastructure using SFRF proceeds. More than 31% of the State's SFRF allocation of \$5.4 billion was dedicated to these purposes. However, due to the complexity of such construction projects and federal spending deadlines, the General Assembly swapped funding sources for the projects alleviating some of the pressure on DEQ to spend the SFRF funds by December 31, 2026.

## **Health and Human Services**

### ***Child Care Stabilization Grants***

Through the 2021 American Rescue Plan Act, the federal government provided \$805.8 million in one-time funds to the North Carolina Department of Health and Human Services for Child Care Stabilization Grants. These funds, as well as over \$200 million in one-time federal Child Care and Development Block Grant funds, were used to provide grants to child care providers. By July 2024 these one-time federal funds were fully expended. In response, the General Assembly appropriated \$67.5 million in [S.L. 2024-40](#) and \$33.75 million in [S.L. 2024-57](#) to continue these grants through the first three quarters of FY 2024-25.

## **Economic Development and Transportation**

### ***Economic Development Project Reserve***

[S.L. 2024-55](#), transferred an additional \$150 million from the General Fund to the Economic Development Project Reserve bringing the total amount transferred to in FY 2024-25 to \$250 million. The same session law appropriated \$150 million from the Reserve to the Department of Transportation to expand highway infrastructure and complete work on roads serving the megasite industrial park in Randolph County. Since 2021, a total of \$695 million has been invested in infrastructure development at the project site.

## **PART II: Disaster Recovery Budget and Fiscal Actions**

### **Appropriations by Department**

The 2024 General Assembly transferred more than \$1.1 billion from the Savings Reserve and \$75 million from the SERDRF for disaster recovery efforts. Of the funds transferred, a total of \$994.2 million was appropriated for a variety of disaster recovery programs and purposes. The following table summarizes those appropriations by agency:

**Table 5: FY 2024-25 Appropriations for Disaster Recovery**

Agency	Helene Appropriations	Other Disaster Appropriations <sup>1</sup>	Session Laws
Dept. of Public Safety	380,000,000	90,000,000	S.L. 2024-51, S.L.2024-53
Dept. of Environmental Quality	139,000,000		S.L. 2024-53
Dept. of State Treasurer	100,500,000		S.L. 2024-53, (amended in S.L. 2024-57)
Dept. of Public Instruction	81,000,000		S.L. 2024-51, S.L.2024-53
Dept. of Health and Human Svcs.	71,400,000		S.L. 2024-53
Dept. of Commerce	56,000,000		S.L. 2024-53
Dept. of Ag. & Consumer Svcs.	27,000,000		S.L. 2024-57
NC Community College System	16,750,000		S.L. 2024-53
UNC System	15,500,000		S.L. 2024-53
Office of State Budget and Mgmt.	7,500,000		S.L. 2024-51, S.L.2024-53
State Board of Elections	5,000,000		S.L. 2024-51
State Education Assistance Authority	4,500,000		S.L. 2024-53
<b>Total, Disaster Recovery</b>	<b>904,150,000</b>	<b>90,000,000</b>	

1. Other disasters include PTC8, Tropical Storm Debby, and Hurricanes Matthew and Florence.

**Disaster Budget and Fiscal Actions**

***Hurricane Helene***

On September 26, 2024, Hurricane Helene, a large, fast-moving category 4 hurricane, made landfall in Florida and quickly moved north severely impacting many states across the southeast including North Carolina. Hurricane Helene caused historic rainfall, record flooding and landslides, and spawned tornados resulting in significant loss of human life and property in the State. On September 28, the President declared a major disaster for North Carolina and, after initial damage assessments, FEMA designated 39 North Carolina counties for federal disaster assistance.

In response, the General Assembly enacted the first of the three disaster recovery acts within 11 days of the emergency declaration. Summaries of disaster funding in each of these acts are outlined below followed by tax policy changes related to disaster recovery.

S.L. 2024-51, [Disaster Recovery Act of 2024](#), enacted on October 9, 2024, transferred \$273 million from the Savings Reserve to a newly created Helene Fund and appropriated 100% of these funds as follows:

- \$250 million to the Department of Public Safety, Division of Emergency Management, to provide the State match for federal disaster assistance programs for State agencies and units of local governments, including the flexibility to use a portion of the funds for a revolving loan program to assist State agencies and local governments with cash flow needs. (This item was amended in S.L. 2024-53 to remove the revolving loan program).
- \$16 million to the Department of Public Instruction to supplement or replace lost compensation of school nutrition employees due to school closures resulting from Hurricane Helene.
- \$2 million to the Office of State Budget and Management (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 to local governments with local recovery funds. (This item was amended in S.L. 2024-53 to expand the uses of the technical assistance funds.)
- \$5 million to the State Board of Elections to facilitate voting in the counties affected by Hurricane Helene.



S.L. 2024-53, [The Disaster Recovery Act of 2024 - Part II](#), enacted on October 24, 2024, transferred \$604.2 million from the Savings Reserve to the Helene Fund and appropriated 100% of these funds, detailed below:

- \$130 million in additional funds to the Department of Public Safety, Division of Emergency Management, for three purposes: 1) \$75 million for additional State match, 2) \$50 million for State and local unmet needs, and 3) \$5 million for floodplain mapping updates in Hurricane Helene impacted counties.
- \$5.5 million in additional funds for 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 to local governments in applying for federal aid, to support planning and permitting assistance, and to build capacity for building and trade inspectors.
- \$65 million to the Department of Public Instruction for four purposes: 1) \$50 million for costs not covered by insurance or available federal aid for repair and renovation of public school facilities in affected counties, 2) \$5 million to provide increased mental health services to students, families, and school personnel to assist with the recovery process, trauma care, and reintegration into academic life following the impacts of Hurricane Helene, 3) \$5 million for replacement of school nutrition equipment supplies and food, and 4) \$5 million for the replacement of school technology.
- \$16.75 million to the NC Community College System for three purposes: 1) \$10.5 million for emergency grants for community college students in affected areas, 2) \$5 million for tuition grants for students attending impacted community colleges, and 3) \$1.25 million for expanded mental health support for community college students.
- \$15.5 million to the UNC System for three purposes: 1) \$5.5 million for students attending UNC Asheville in Spring 2025, 2) \$5 million for emergency grants for college students affected by the disaster, and 3) \$5 million for repair and renovation of facilities for unmet needs not covered by insurance or available federal aid,
- \$4.5 million to the State Education Assistance Authority (SEAA) for two purposes: 1) \$3.5 million for needs-based scholarships for disaster-impacted students attending public colleges and universities in addition to directing the SEAA to use an \$15.6 million in unobligated funds for this purpose and 2) \$1 million for emergency grants for disaster-impacted students attending private colleges and universities in addition to directing the SEAA to use \$2.5 million in unobligated funds for this purpose.
- \$71.4 million to the Department of Health and Human Services for the following eight purposes:
  1. \$25 million for mental health crisis supports and supports for individuals with intellectual/developmental disabilities
  2. \$12 million for Local Health Department support, including temporary staff
  3. \$10 million for Disaster Supplemental Nutrition Assistance Program (D-SNAP) matching funds
  4. \$10 million for the NC Partnership for Children to distribute funds to Smart Start Local Partnerships
  5. \$9 million for utility assistance
  6. \$3 million for child welfare essential services
  7. \$1.4 million for essential services for vulnerable adults
  8. \$1 million for rental assistance
- \$56 million to the Department of Commerce for three purposes: 1) \$50 million for Golden LEAF for the Small Business Recovery Bridge Loan Program, 2) \$5 million for the Economic Development Partnership of NC (EDPNC) for a targeted media campaign to promote tourism in western NC, and 3) \$1 million for EDPNC for a business loss assessment in disaster declared counties.
- \$139 million to the Department of Environmental Quality for four purposes: 1) \$100 million for emergency bridge loans for water and wastewater infrastructure repairs (S.L. 2024-51 also provided flexibility to DEQ to use \$59 million in unobligated funds in the Clean Water and Drinking Water Reserves for this purpose.), 2) \$22 million for emergency bridge loans for underground storage tank infrastructure testing and repair, 3) \$10 million for weatherization services in disaster declared counties, and 4) \$7 million for technical assistance for water and wastewater infrastructure damage assessment and repairs.

- \$100.5 million to the Department of State Treasurer for two purposes: 1) \$100 million for a cash flow loan program to support local governments with federally-reimbursable disaster recovery projects and 2) \$500,000 for line of duty death benefit payments in disaster declared counties.

S.L. 2024-57, [Disaster Relief-3/Budget/Various Law Changes](#), enacted on November 20, 2024, transferred \$227 million from the Savings Reserve to the Helene Fund and appropriated \$2 million of these funds to the Department of Agriculture and Consumer Services (DACs) to provide technical support to soil and water conservation districts in the affected counties. The bill also transferred \$25 million from the State Emergency Response and Disaster Relief Fund to the Helene Fund and appropriated these funds to DACs to support the Streamflow Rehabilitation Assistance Program.

#### ***Other Disasters***

S.L. 2024-53, [The Disaster Recovery Act of 2024 - Part II](#), also transferred an additional \$40 million from the Savings Reserve to the OSBM Disaster Relief Reserve and appropriated these funds for the following: 1) \$10 million to provide State match for federal disaster assistance programs in response to PTC8 and Tropical Storm Debby and 2) \$30 million for the NC Office of Recovery and Resiliency (NCORR) to support homeowner recovery projects under the Rebuild NC program. The Rebuild NC program received an additional \$50 million in [S.L. 2024-57](#) for the same purpose. Funds were transferred from SERDRF to support the \$50 million appropriation.

#### ***Revenue Adjustments***

The General Assembly also enacted various tax policy changes that provide financial relief to certain taxpayers located in the counties affected by Hurricane Helene. These changes are anticipated to delay collections but not impact the amount of revenue that will be collected. Summaries of these changes follow.

[S.L. 2024-51](#) waived the accrual of interest due to an underpayment of tax imposed on the following tax types for tax returns due on September 25, 2024 through May 1, 2025:

- income tax returns for the taxpayers located in a county affected by Hurricane Helene.
- withholding taxes remitted by employers in the affected disaster counties.
- corporate franchise tax returns for taxpayers in the affected disaster counties.

It also waived the accrual of interest due to an underpayment of State, local, or transit sales and use taxes by retailers that remit sales tax in an affected disaster area for specific periods depending on when the tax return is due.

The session law also provides additional time for partnerships and S Corporations to file for an election to be taxed at the entity level for those entities that have extensions expiring on that date.

[S.L. 2024-53](#) clarified that the interest waiver provisions provided in [S.L. 2024-51](#) also apply to individuals or entities whose tax preparer or records necessary to meet a tax deadline are located in the affected disaster area if the individual or entity submits a form to the Department of Revenue.

**Appendix A**  
**FY 2024-25 General Fund Availability Statement**

1	<b>Unappropriated Balance Remaining FY 2023-24</b>	<b>1,564,437,930</b>
2	Reversions	571,165,447
3	FY 2023-24 Under Collections	<u>(31,867,697)</u>
4	<b>Total, Prior Year-End Fund Balance</b>	<b>2,103,735,680</b>
5		
6	<b>Revenue Forecast</b>	
7	Tax Revenues	32,574,000,000
8	Non-Tax Revenues	<u>1,590,300,000</u>
9	<b>Total, Tax &amp; Non-Tax Revenue</b>	<b>34,164,300,000</b>
10		
11	<b>Statutorily Required Reservations of Revenue</b>	
12	Savings Reserve	-
13	Unfunded Liability Solvency Reserve	-
14	State Capital and Infrastructure Fund	<u>(1,461,333,238)</u>
15	<b>Subtotal, Statutorily Required Reservations of Rev.</b>	<b>(1,461,333,238)</b>
16		
17	<b>Discretionary Reservations of Revenue</b>	
18	State Capital and Infrastructure Fund	(700,000,000)
19	Savings Reserve	(125,000,000)
20	Clean Water and Drinking Water Reserve	(1,000,000,000)
21	Economic Development Project Reserve	(250,000,000)
22	Medicaid Contingency Reserve	(250,000,000)
23	SERDRF	(75,000,000)
24	Housing Reserve	(45,000,000)
25	Transportation Reserve	(100,000,000)
26	NCInnovation	(250,000,000)
27	Education Reserve	<u>(248,000,000)</u>
28	<b>Subtotal, Reserves</b>	<b>(3,043,000,000)</b>
29		
30	<b>Revised Total General Fund Availability</b>	<b>31,763,702,442</b>
31		
32	<b>General Fund Net Appropriations</b>	
33	S.L. 2023-14, Care for Women, Children, and Families Act	(79,336,285)
34	S.L. 2023-134, 2023 Appropriations Act	(30,823,313,998)
35	S.L. 2024-40, Adjustments to the 2023 Approp. Act	(9,148,046)
36	S.L. 2024-55, Require ICE Cooperations & Budget Adj.	(735,357,983)
37	S.L. 2024-57, Disaster Relief-3/Budget/Various Law Changes	<u>(68,472,789)</u>
38	<b>Total, General Fund Appropriations</b>	<b>(31,715,629,101)</b>
39		
40	<b>Unappropriated Balance</b>	<b>48,073,341</b>

**Appendix B**  
**Revenue Policy Changes Enacted in the 2024 Session**

<b>Session Law</b>	<b>Section</b>	<b>Fiscal Impact</b>	<b>Tax Type</b>	<b>Description of Tax Changes</b>
S.L. 2024-1, 2023 Budget Tech Corr/Other Corrections	11.1	None	Motor Fuels	Clarified that for-hire ground transport service providers that provide public transportation on behalf of a State agency, certain governmental entities, or a local board of education are exempt from the for-hire ground transport excise tax.
	11.2	None	Franchise	Clarified that the franchise tax cap on the first \$1 million of a C Corporation's tax base is a maximum of \$500 and not a flat rate of tax.
	11.3	None	Income	Extended the filing date for State and Local Tax (SALT) deduction cap elections for partnerships.
S.L. 2024-15, DOT Legislative Changes	18	None	Sales and Use	Increased from quarterly to monthly the frequency of transfers from the General Fund to the Highway Fund and the Highway Trust Fund of proceeds collected from the State general rate of sales tax.
S.L. 2024-29, Insurance Rev/ Online Auctions/Firefighters	2	\$1.6 million	Gross Premiums	Reduced from 5% to 1.85% the tax rate applicable to gross premiums paid for coverages within this State to risk retention groups not chartered in this State, among other changes.
S.L. 2024-32, North Carolina Farm Act	15	\$5 million	Income	Reenacted a modified conservation tax credit equal to 25% of the fair market value of donated real property (capped at \$250k for individuals, including owners of a pass-through entity, and \$500k for corporations) that may be used for six purposes for tax years ending before Jan. 1, 2027.
S.L. 2024-41, ABC Omnibus	23	De minimis	Excise	Capped the amount of sales and use tax payable on spirituous liquor if a single container costs at least \$50,000.
	35	None	Excise	Clarified the due dates for returns and payments of alcohol excise tax, clarified that certain reports must be submitted even if tax is not due, and allowed the Department of Revenue to request a copy of an agreement between breweries or wineries and their wholesalers transferring the remittance obligation to the wholesaler.

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