



The House and Senate budget conferees have been working hard over the past couple of weeks to finalize the final budget proposal, which was released late Tuesday afternoon. Legislators expect the final vote on their budget to happen on Friday, and then it will be sent to Governor Cooper. Governor Cooper will likely veto the NCGA's budget because Medicaid expansion was not included. While the Senate could likely override a veto, the House needs six Democrat votes to override Cooper's veto, which will be a challenge. Unlike Congress, if North Carolina does not have budget by June 30<sup>th</sup>, recurring budget items from the last term are automatically funded. However, if the NCGA is unable to override the Governor's veto, we'll probably see separate budget bills surface to address different issues that were included in the NCGA's budget. Thus, the legislature could remain in session for several more months.

[SB 95](#) Veterans Memorial Funds/Do Not Revert passed both the Senate and House with changes to help North Topsail Beach, Surf City, and Topsail Beach in the final version. The bill redirects the \$5 million that was previously a grant-in-aid to Resource Institute, Inc. for certain projects on Topsail Island. Now, the \$5 million will go directly to the Department of Environmental Quality, Division of Water Resources, and will be allocated in equal amounts to the Towns of North Topsail Beach, Surf City, and Topsail Beach for hurricane recovery projects in or benefitting the Towns and their adjoining coastline. The bill will be sent to the Governor his signature. Upon becoming law, it will be effective June 30, 2019.

## **NCGA BUDGET**

Relating to disaster recovery, the budget transfers of \$94,103,000 in nonrecurring funds for the 2019-2020 fiscal year to the Hurricane Florence Disaster Recovery Fund. It also:

- Allocates \$5,000,000 to replenish the balance in the State Emergency Response and Disaster Relief Fund (SERDRF).
- Includes a schedule for which the Department of Environmental Quality must allocate funds for water resources development projects, including Surf City/North Topsail CSRM pre-construction/design and phase two of North Topsail Beach Shoreline Protection (*shown on next page*). These funds provide a State match for nearly \$32,355,000 in federal funds. *Details can be found on pages 337-338 of [HB 966](#).*
- Provides \$11,007,000 for the non-federal share of Water Resources Development Projects, which include navigation, water management, flood mitigation, and beach renourishment for FY 2019-20
- Transfers \$10 million from the Aquatic Weed and Shallow Draft Dredging Fund to go into the Coastal Storm Damage Mitigation Fund for FY 2020-21

*To view the full Disaster Recovery 2019 portion of the House budget, see pages 14-16 of [HB 966](#).*

17 **WATER RESOURCES DEVELOPMENT PROJECTS**

18 **SECTION 39.4.(a)** The Department of Environmental Quality shall allocate funds  
 19 for water resources development projects in accordance with the schedule that follows. The  
 20 amounts set forth in the schedule include funds appropriated in this act for water resources  
 21 development projects and funds carried forward from previous fiscal years in accordance with  
 22 subsection (b) of this section. These funds will provide a State match for an estimated thirty-two  
 23 million three hundred fifty-five thousand dollars (\$32,355,000) in federal funds.

25	<b>Name of Project</b>	<b>2019-2020</b>
27	(1) Princeville Flood Damage Reduction (Pre-Constr./Design)	\$1,400,000
28	(2) Carolina Beach CSRM	-
29	(3) Kure Beach CSRM	14,000
30	(4) Wrightsville Beach CSRM	-
31	(5) Ocean Isle CSRM	-
32	(6) Planning Assistance to Communities	38,000
33	(7) Wilmington Harbor DA Maintenance	6,550,000
34	(8) Morehead City Maintenance	1,500,000
35	(9) Surf City/North Topsail CSRM (Pre-Constr./Design)	148,000
36	(10) West Onslow CSRM (Pre-Constr./Design)	148,000
37	(11) NRCS EQIP/Stream Restoration	1,500,000
38	(12) State-Local Projects (WRD Grant Pgm.)	2,320,000
39	(13) Bogue Banks CSRM	-
40	(14) Neuse River-Goldsboro Sec. 1135, CAP, Project Mods. (50/50)	333,000
41	(15) Concord Streams, Sec. 206, CAP, Ecosystem Restoration, 42 Stricker Branch, Constr. (65/35)	619,000
43	(16) Manteo Old House Channel, Sec. 204, CAP, Design Comp. (65/35)	73,000
44	(17) Lumberton 205, CAP, Flood Damage Reduction (50/50)	125,000
45	(18) B. Everette Jordan Reservoir Water Supply	119,000
46	(19) Swannanoa Flood Mitigation Project	637,000
47	(20) North Topsail Beach Shoreline Protection – Phase 2	500,000
48	<b>TOTALS</b>	<b>\$16,024,000</b>

50 **SECTION 39.4.(b)** It is the intent of the General Assembly that funds carried  
 51 forward from previous fiscal years be used to supplement the eleven million seven thousand

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1 dollars (\$11,007,000) allocated for water resources development projects in this section.  
 2 Therefore, the following funds carried forward from previous fiscal years shall be used for the  
 3 following projects:

5	<b>Name of Project</b>	<b>Amount Carried Forward</b>
7	(1) Princeville Flood Damage Reduction (Pre-Constr./Design)	\$1,400,000
8	(2) Morehead City Maintenance	1,500,000
9	(3) Kure Beach CSRM	315,000
10	(4) Wrightsville Beach CSRM	2,206,000
11	(5) Carolina Beach CSRM	686,000
12	(6) Ocean Isle CSRM	1,040,000
13	(7) Planning Assistance to Communities	38,000
14	(8) Surf City/North Topsail CSRM (Pre-Constr./Design)	255,000
15	(9) West Onslow CSRM (Pre-Constr./Design)	220,000
16	(10) Neuse River-Goldsboro Sec. 1135, CAP, Project Mods. (50/50)	333,000
17	(11) Concord Streams, Sec. 206, CAP, Ecosystem Restoration, 18 Stricker Branch, Constr. (65/35)	1,023,000
19	(12) Manteo Old House Channel, Sec. 204, CAP, Design Comp. (65/35)	2,219,000
20	(13) Lumberton 205, CAP, Flood Damage Reduction (50/50)	125,000
21	(14) B. Everette Jordan Reservoir Water Supply	119,000
22	(15) North Topsail Beach Shoreline Protection – Phase 2	1,500,000
23	<b>TOTALS</b>	<b>\$12,979,000</b>