



North Carolina Office of the State Auditor
Dave Boliek, State Auditor

November 18, 2025

Below is a written statement of the proposed testimony to be given by State Auditor Dave Boliek to the Joint Legislative Commission on Governmental Operations Subcommittee on Hurricane Response and Recovery regarding the North Carolina Office of Recovery and Resiliency (NCORR):

The North Carolina Office of the State Auditor (OSA) conducted an independent assessment of NCORR's administration of the Homeowner Recovery Program (HRP) for Hurricanes Matthew (2016) and Florence (2018).

In its assessment, OSA focused on NCORR's financial stewardship, vendor oversight, and program accountability of the HRP. The objectives were to identify systemic challenges, assess the adequacy of internal controls and program management, and to provide actionable recommendations to strengthen future disaster recovery efforts in North Carolina.

NCORR managed over \$1 billion in combined federal and State funding, with \$709 million from the federal Community Development Block Grant (CDBG) and \$297 million from State appropriations. The flagship program for providing financial and logistical support to help hurricane victims with repair, reconstruction, replacement, or elevation of homes was the Homeowner Recover Program. As of April 2025, the HRP received 11,654 applications and completed 3,522 projects. Applications and grant activities were tracked in Salesforce.

The HRP included eight steps for applicants to go through in order for a project to be completed. Each step took at least 100 days on average, with grant determination taking an average of 936 days, or 2.5 years. On average, construction on eligible projects did not begin until about four years after homeowners were deemed eligible for the HRP.

Several homeowners had to rely on Temporary Relocation Assistance while projects backed up. Some families remained in temporary housing for more than 1,400 days, incurring lodging costs of over \$230,000 for a single household.

There were several issues with NCORR that led to this hardship. OSA consulted Craig Fugate, former Director of the Federal Emergency Management Agency (FEMA) and Florida Emergency Management, to provide an external perspective on NCORR's performance. Fugate noted that NCORR "spent a tremendous amount of time on process, when their job was swinging hammers."

Specific findings of the assessment include:

- Financial commitments exceeding available funds and unreconciled reporting led to a \$297 million state bailout.
 - NCORR managed the HRP using three systems. Inconsistent reconciliation across these systems led to discrepancies in NCORR's financial records.



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- Poor program data quality and delays in disaster recovery efforts prolonged hardship and increased costs.
 - NCORR spent \$23.1 million on Salesforce, including costs related to ongoing consulting and technical support. Issues included blank data fields, negative processing times, missing 'Notice to Proceed' dates, and instances of applications marked 'Complete' without corresponding end dates.
- Insufficient budget controls and monitoring practices led to emergency appropriations.
 - NCORR did not translate U.S. Department of Housing and Urban Development Action Plans into practical, enforceable budgets and schedules for daily management of the HRP.
- Inadequate oversight of vendors led to increased costs.
 - Program administration contracts lacked Key Performance Metrics and vendor contracts did not link payments to results.

OSA made both long-term recommendations and short-term actions for NCORR to take.

Long-Term Recommendations:

- Establish a SOLID partnership for disaster recovery.
- Implement robust budget and financial oversight.
- Strengthen contract management and oversight.
- Implement comprehensive data governance frameworks.

Short-Term Actions

- Enhance budgeting and financial oversight.
- Strengthen contract management.
- Improve data integrity and reporting.

A response from NCORR management is included in the report. As required by law, OSA remains ready to conduct additional periodic audits of NCORR.