



North Carolina Department of Public Safety

Office of Recovery and Resiliency

Roy Cooper, Governor
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MEMORANDUM

TO: Budget Director
House Appropriations Committee
Senate Appropriations Committee
House Appropriations Committee on Justice and Public Safety
Senate Appropriations Committee on Justice and Public Safety
Joint Legislative Commission on Governmental Operations
Fiscal Research Division

FROM: Laura H. Hogshead, NCORR Chief Operating Officer

RE: Permanent Staffing Recommendations for the Office of Recovery and Resiliency

DATE: March 27, 2020

Pursuant to Session Law 2019-250 Section 3.5(d), the Office of Recovery and Resiliency (Office) shall make recommendations regarding the staffing levels that are necessary to do the following: (1) Administer the Community Development Block Grant-Disaster Recovery (CDBG-DR) program during times when the Office is administering CDBG-DR funds. (2) Administer the CDBG-DR program during times when the Office is not administering CDBG-DR funds. (3) Maintain a base-level of staff to provide resiliency planning and coordination, provide continuous required disaster recovery functions, and ensure the State is adequately prepared to expand its disaster recovery efforts in the event of future natural disasters. (4) Expand from a base-level of staff to provide necessary functions immediately following a natural disaster. SECTION 3.5.(e) For each recommendation required under subsection (d) of this section, the Office shall include the class and number of temporary or permanent full-time equivalent positions. For each position, the Office shall include an explanation of the necessity for the position to be permanent if applicable, the funding source of the position, and a job description of the position with corresponding salary requirements. The Office shall report the recommendations to the chairs of the House of Representatives and Senate Appropriations Committees, the chairs of the House of Representatives and Senate Appropriations Committees on Justice and Public Safety, the Joint Legislative Commission on Governmental Operations, and the Fiscal Research Division

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ESTABLISHING A PERMANENT NCORR OFFICE NC OFFICE OF RECOVERY AND RESILIENCY

According to Session Law 2019-250, Subsection 3.5, the North Carolina Department of Public Safety, Office of Recovery and Resiliency (NCORR) is directed to submit a plan to the General Assembly describing the personnel necessary to establish a permanent NCORR office. A permanent NCORR is necessary to ensure North Carolina has ongoing capacity to support the state with future disaster recoveries and efficiently and effectively administer future federal appropriations to the Community Development Block Grant for Disaster Recovery (CDBG-DR) and the Community Development Block Grant for Mitigation (CDBG-MIT) programs, as well as ensure North Carolina moves toward a more resilient future. This report sets out requirements for a permanently established NCORR.

Recommendation

NCORR believes that in order to provide permanent capacity to the state of North Carolina for long-term disaster recovery coordination, disaster resiliency planning, and expertise with launching and administering CDBG-DR and CDBG-MIT programs, **the General Assembly should establish 23 permanent positions that will need recurring state funds for salaries, fringe benefits, and operating costs totaling \$3,188,129.** Not all of these funds would be required today, as the CDBG-DR and CDBG-MIT grants provide sufficient funds to support most of NCORR's operations. These appropriations would be needed during "blue sky" times, when federal recovery grant funds have been exhausted. This report provides additional details regarding core positions needed to make NCORR permanent *and information regarding certain positions that are not grant-funded and need permanent support today.*

Current Formation of NCORR

NCORR was established in October 2018 by Session Law 2018-136 to provide oversight and coordination to the state's long-term recovery from Hurricanes Matthew and Florence. In addition to general oversight and coordination, NCORR applied to be and was approved as the Grantee for the state's CDBG-DR and CDBG-MIT grants from the United State Department of Housing and Urban Development (HUD).

Since October 2018, the office was formed, 45 staff positions were hired, the Hurricane Matthew CDBG-DR program has been streamlined and strengthened, NCORR has achieved "on pace" status with HUD, and the office has prepared for the pending Matthew CDBG-MIT and Florence CDBG-DR grant agreements with HUD. Milestones of NCORR establishment are as follows:

- October 29, 2018 – NCORR Chief Operating Officer was hired
- January 2, 2019 – NCORR officially began operations with three leadership staff, including a Chief Finance Officer
- January 16, 2019 – 10 NCORR staff were transferred into the new organization from Emergency Management
- May 5, 2019 – NCORR moved into new office space
- July 1, 2019 – NCORR was officially approved by HUD to become the state's grantee for the Matthew CDBG-DR grant

- September 31, 2019 – NCORR achieved the “on pace” performance mark with HUD, demonstrating grant management capacity and overall acceleration of the Matthew housing recovery program, a status it has maintained since September.
- February 14, 2020 – All leadership roles were filled and NCORR has filled 42 of the 45 positions allocated by the General Assembly

NCORR has now filled all 45 authorized positions as it prepares to sign a \$168 million grant agreement for Matthew CDBG-MIT and a \$542.5 million grant agreement for Florence CDBG-DR – all before mid-May 2020. At that time, NCORR will be managing nearly \$1 billion in federal and state disaster recovery funds.

Funding the Operations of NCORR

At this time, the overwhelming effort of NCORR is dedicated to the administration of the CDBG-DR and CDBG-MIT grants. HUD permits up to 5% of each grant be used for administrative activities and additional grant funds may be used to support NCORR-staffed project activity delivery functions. As a result, NCORR has sufficient funding to support salaries, fringe benefits, and operating costs, including office space, during the period of performance for the CDBG-DR and CDBG-MIT grants. The period of performance for NCORR’s Matthew CDBG-DR grant is six years, covering 2017-2023. The period of performance for the Florence CDBG-DR grant will be 2020-2026. The Matthew CDBG-MIT grant has a 12-year period of performance, but NCORR is planning to complete this grant in roughly six years, which means the grant will be complete by 2026.

Once the recovery programs funded by these federal grants complete and are closed out, NCORR will not have any funds to continue operations. While NCORR will begin reducing staff commensurate with the end of CDBG-DR recovery programs, certain professional positions must be retained if North Carolina is to retain the experience and capacity to rapidly launch a future disaster recovery with CDBG-DR or CDBG-MIT funds.

Resilience Team

In 2019, NCORR established a Resilience Team under the leadership of the State Chief Resilience Officer. This team engages in long-term resilience and mitigation planning, advises other state agencies, local governments, and disaster recovery stakeholders with resilient approaches to land-use planning, operations, conservation, and investments in the built environment. The Resilience Team staffs the State Recovery Task Force, comprised of public, non-profit, and private stakeholders concerned with disaster preparedness, recovery, and mitigation.

Although the Resilience Team provides some advisory support to NCORR’s CDBG-DR and CDBG-MIT programs, NCORR cannot charge the HUD grants for the Resilience Team’s personnel and operating costs, because this team’s work extends far beyond just CDBG-DR. NCORR is relying on limited non-recurring state appropriations from various Disaster Recovery Acts to support the activities of the Resilience Team. NCORR requires recurring state funds as soon as possible in order for the Resiliency Team to continue their long-range mitigation planning work for the State.

Recommendation for the Permanent NCORR Office

Once the NCORR grant-funded programs for Hurricane Florence recovery come to a close in 2026, and NCORR has reduced staff from the peak of recovery activities for Hurricanes Matthew and Florence, the following positions are required to maintain expertise and capacity for future disaster recoveries in North Carolina:

1. **Chief Operating Officer** – The COO is the primary lead executive officer over the daily operations of NCORR. All NCORR positions report to the COO and receive direction and guidance from the COO on policy, procedure, program operations, staffing, budgeting and planning. The COO also performs most external relations with state agencies, local governments, and other stakeholders.
2. **Chief of Staff** – Directly oversees the daily functions of policy development and program implementation and operations. The Chief of Staff plans for staffing needs, manages procurements, and supports the COO's directives.
3. **Executive Assistant** – Provides administrative support to the permanent NCORR office.
4. **Human Resources Manager** – Provides human resources operations support to all of NCORR. Rapid staffing is a critical function for NCORR during the early days of a future disaster recovery.
5. **Procurement and Contracts Director** – Manages NCORR's procurement process for large and small procurements and provides contract management support to current contracts. Procurement expertise is one of the most critical needs when launching a recovery, and the most common compliance risk for CDBG-DR and CDBG-MIT grantees.
6. **Policy and Planning Director** – Responsible for the development and maintenance of all NCORR-wide and program-specific policies and planning. Expertise is critical for quickly developing action plans, developing implementation plans, preparing grant certification documentation, remaining current on HUD rules, and maintaining NCORR policies, so that North Carolina can efficiently and effectively enter into a grant agreement and launch a recovery.
7. **Chief Recovery Officer** – Responsible for administering all of NCORR's recovery programs, including staffing recovery teams, developing and maintaining procedures, launching applicant intake, and guiding procurement needs to launch recovery. The position is the key leadership position for launching programs and serving victims rapidly.
8. **Housing Program Director** – The role reports to the Chief Recovery Officer and administers the NCORR Housing Recovery Programs. CDBG-DR and CDBG-MIT are primarily housing recovery grants, so NCORR must remain current with HUD requirements and goals for disaster housing recovery. The position allows NCORR to be prepared for fast implementation of programs that directly affect homeowners and renters.
9. **Chief Program Delivery Officer** – This position manages the construction function of NCORR's housing programs. Expertise from this position keeps NCORR prepared by maintaining procedures for construction management and maintaining NCORR's list of pre-qualified general contractors. This function is necessary to quickly transition from applicant intake to actual construction of people's homes.
10. **Finance Chief** – The position oversees accounting, budget development and management, business systems and reporting, and compliance. Having all financial operations, business systems, and compliance policies and procedures in place, allows NCORR's programs to be sufficiently supported at the moment of disaster recovery launch.
11. **Reporting and Business Systems Director** – This position is responsible for developing and maintaining NCORR's system of record. The system of record is a complex database responsible for collecting, managing, and protecting all information from applicants, and the system is used by NCORR program staff to carry out disaster recovery. Expertise in this role ensures that the system of record is ready and updated for the launch of program intake and that program staff are trained.
12. **Compliance Director** – CDBG-DR and CDBG-MIT grants operate in a complex regulatory environment, due to the fact that these HUD grants are related to the Community Development

Block Grant program, but CDBG-DR and CDBG-MIT are not authorized by the US Congress. Staying current on requirements for these grants is a challenging and evolving activity, and this role helps NCORR accurately develop policies and procedures that remain compliant with federal requirements.

13. **Accounting Technician II** – Provides basic accounting support to the permanent NCORR office.
14. **Deputy General Counsel** – The legal chief for NCORR, this role provides legal research and advice to NCORR leadership, policy staff, and program staff. The position is critical for reviewing updated policies, procedures, and compliance requirements to ensure the NCORR programs are prepared for launch.
15. **Press Assistant** – The position currently supports the CDBG-DR and CDBG-MIT grant activities, but would shift to supporting the Resilience Team with communications during periods of no recovery grant activity.

The Resilience Team

The positions listed in the previous section are all currently supported by NCORR’s CDBG-DR and CDBG-MIT grants. The Resilience Team is currently supported by a limited amount of state appropriated Disaster Recovery Act funds. NCORR recommends that the Resilience Team be supported by permanent state appropriations as soon as possible, so the team can sustainably provide mitigation planning, expertise, and guidance to state agency, local government, and public stakeholders. The following positions make up the Resilience Team:

1. **Chief Resilience Officer** – Oversees the resilience function for NCORR, including staffing the State Recovery Task Force, guiding the development of a statewide recovery framework, and launching various programs to support resilience activities in state agencies and local governments.
2. **Deputy Chief Resiliency Officers** – Two positions that assist the Chief Resilience Officer with developing and implementing a range of mitigation programs across the state. These Deputies also provide senior subject matter expertise to the Recovery Support Function subcommittees of the State Disaster Recovery Task Force. These active subcommittees bring stakeholders together from both the public and private sectors to plan resilience activities.
3. **Resilience Program managers** – Four future positions that assist the Resilience Team with the operations of various resilience programs developed by the team, run the State Recovery Support Functions of the State Disaster Recovery Task Force, and follow up on the recommendations from those bodies.
4. **Resilience Administrative Assistant** – Provided administrative support to the Resilience Team.

Budgetary Data for Proposed Positions

Position Title	Position Number	July 1, 2020 Salary	Soc. Sec. 7.65%	Retire. 21.44%	Health Ins.	Position Total
Chief Operating Officer	65027785	\$136,581	\$10,448	\$29,283	\$6,647	\$182,960

Position Title	Position Number	July 1, 2020 Salary	Soc. Sec. 7.65%	Retire. 21.44%	Health Ins.	Position Total
Chief of Staff	65029227	\$96,658	\$7,394	\$20,723	\$6,647	\$131,422
Executive Assistant	65029221	\$65,139	\$4,983	\$13,966	\$6,647	\$90,735
Human Resource Manager	65029183	\$58,835	\$4,501	\$12,614	\$6,647	\$82,597
Procurement Director	65029235	\$95,970	\$7,342	\$20,576	\$6,647	\$130,535
Press Assistant	65027786	\$44,772	\$3,425	\$9,599	\$6,647	\$64,443
Policy and Planning Director	65029216	\$107,625	\$8,233	\$23,075	\$6,647	\$145,580
Chief Recovery Officer	65029228	\$123,000	\$9,410	\$26,371	\$6,647	\$165,428
Housing Program Director	65026346	\$109,675	\$8,390	\$23,514	\$6,647	\$148,226
Chief Program Delivery Officer	65029223	\$120,822	\$9,243	\$25,904	\$6,647	\$162,616
Finance Chief	65029229	\$131,328	\$10,047	\$28,157	\$6,647	\$176,178
Reporting and Business Sys. Dir.	65029215	\$131,328	\$10,047	\$28,157	\$6,647	\$176,178
Compliance Director	65029224	\$107,625	\$8,233	\$23,075	\$6,647	\$145,580
Accounting Technician II	65029232	\$57,784	\$4,421	\$12,389	\$6,647	\$81,241
Deputy General Counsel	65029201	\$104,012	\$7,957	\$22,300	\$6,647	\$140,916
Chief Resilience Officer	65029214	\$99,809	\$7,635	\$21,399	\$6,647	\$135,491
Deputy Chief Resilience Officer	65029212	\$94,556	\$7,234	\$20,273	\$6,647	\$128,710
Deputy Chief Resilience Officer	65029213	\$94,556	\$7,234	\$20,273	\$6,647	\$128,710
Program Manager	Pending	\$94,556	\$7,234	\$20,273	\$6,647	\$128,710
Program Manager	Pending	\$94,556	\$7,234	\$20,273	\$6,647	\$128,710
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Program Manager	Pending	\$94,556	\$7,234	\$20,273	\$6,647	\$128,710
Resilience Admin. Specialist	65029734	\$44,772	\$3,425	\$9,599	\$6,647	\$64,443
Personnel Subtotal		\$2,203,071	\$168,538	\$472,339	\$152,881	\$2,996,829
Operating Costs – including supplies, equipment, travel, phone and data		\$191,300				\$191,300
Grand Total		\$2,394,371	\$168,538	\$472,339	\$152,881	\$3,188,129

Conclusion

For North Carolina to be prepared for future long-term disaster recoveries, including housing recoveries funded with CDBG-DR and CDBG-MIT grant funds, the we recommend that the General Assembly permanently establish NCORR. A permanent NCORR will ensure that North Carolina has expertise, capacity, compliant policies and procedures, and plans to staff and rapidly launch future recoveries. While NCORR is mostly funded with grant funds from current CDBG-DR and CDBG-MIT funds, recurring state appropriations totaling \$3,188,129 will be needed by 2026 to permanently fund 23 positions. In the meantime, the General Assembly should permanently fund NCORR's Resilience Team, since critical planning and advisory work this team performs is not supported by the CDBG-DR and CDBG-MIT grants. For additional information please contact Laura Hogshead at Laura.Hogshead@ncdps.gov or Jim Klingler at jim.klingler@ncdps.gov.