

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007**

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**HOUSE BILL 2437
Committee Substitute Favorable 6/30/08**

Short Title: Continuing Appropriations. (Public)

Sponsors:

Referred to:

May 26, 2008

A BILL TO BE ENTITLED

AN ACT TO MAKE CONTINUING APPROPRIATIONS AND EXTEND CERTAIN
BUDGET PROVISIONS UNTIL JULY 15, 2008, AT 11:59 P.M.

The General Assembly of North Carolina enacts:

BUDGET CONTINUATION

SECTION 1. The Director of the Budget shall not allocate funds for any of the purposes set out in the budget reductions contained in House Bill 2436, fourth edition, and House Bill 2436, seventh edition, that are not in controversy.

Vacant positions subject to the proposed budget reductions in either House Bill 2436, fourth edition, or House Bill 2436, seventh edition, shall not be filled.

Except as otherwise provided by this act, the limitations and directions for the 2007-2008 fiscal year set out in S.L. 2007-323, as amended, shall remain in effect.

NO AUTOMATIC STEP INCREASE FOR STATE AND PUBLIC SCHOOL EMPLOYEES

SECTION 2. State employees subject to G.S. 7A-102(c), 7A-171.1, or 20-187.3 shall not move up on salary schedules or receive automatic increases, including automatic step increases, until authorized by the General Assembly.

Public school employees paid on the teacher salary schedule or the school-based administrator salary schedule shall not move up on salary schedules or receive automatic step increases until authorized by the General Assembly.

CONTINUATION REVIEWS/ALLOTMENTS

SECTION 3. The programs and services identified in Section 6.21 of S.L. 2007-323 are appropriated at fiscal year 2007-2008 levels and the Director of the Budget shall allot these funds for the 2008-2009 fiscal year, except that:

- (1) The Director of the Budget shall not allocate funds for any of the purposes set out in the budget reductions contained in House Bill

1 2436, fourth edition, and House Bill 2436, seventh edition, that are not
2 in controversy.

3 (2) Vacant positions subject to the proposed budget reductions in either
4 House Bill 2436, fourth edition, or House Bill 2436, seventh edition,
5 shall not be filled.

6 The appropriations and the authorizations to allocate and spend funds which are set out
7 in this section shall remain in effect until The Current Operations and Capital
8 Improvements Appropriations Act of 2008 becomes law, at which time that act shall
9 become effective and shall govern appropriations and expenditures. When The Current
10 Operations and Capital Improvements Appropriations Act of 2008 becomes law, the
11 Director of the Budget shall adjust allotments to give effect to that act from July 1,
12 2008.

13 Except as otherwise provided by this act, the limitations and directions for the
14 2007-2008 fiscal year set out in S.L. 2007-323, as amended, shall remain in effect.
15 Session laws that applied to appropriations to particular agencies or for particular
16 purposes apply to the funds appropriated and authorized for expenditure under this
17 section.

18

19 **FUNDS SHALL NOT REVERT**

20 **SECTION 3.1.(a)** If the provisions of either House Bill 2436, fourth edition,
21 or House Bill 2436, seventh edition, or both, direct that funds shall not revert, the funds
22 shall not revert on June 30, 2008. Unless these funds are encumbered on or before June
23 30, 2008, these funds shall not be expended after June 30, 2008, except as provided by a
24 law enacted after June 30, 2008.

25 **SECTION 3.1.(b)** This section becomes effective June 30, 2008.

26

27 **STATE CONTROLLER SHALL NOT TRANSFER FUNDS ON JUNE 30**

28 **SECTION 4.(a)** Notwithstanding G.S. 143C-4-3, for the 2007-2008 fiscal
29 year only, funds shall not be reserved to the Repairs and Renovations Reserve Account,
30 and the State Controller shall not transfer funds from the unreserved credit balance to
31 the Repairs and Renovations Reserve Account on June 30, 2008.

32 **SECTION 4.(b)** Notwithstanding G.S. 143C-4-2, for the 2007-2008 fiscal
33 year only, funds shall not be reserved to the Savings Reserve Account, and the State
34 Controller shall not transfer funds from the unreserved credit balance to the Savings
35 Reserve Account on June 30, 2008.

36 **SECTION 4.(c)** This section becomes effective June 30, 2008.

37

38 **DHHS BLOCK GRANTS**

39 **SECTION 5.(a)** Appropriations from federal block grant funds are made for
40 the fiscal year ending June 30, 2009, according to the following schedule:

41

42 **TEMPORARY ASSISTANCE TO NEEDY FAMILIES**

43 **(TANF) BLOCK GRANT**

44

1	Local Program Expenditures	
2		
3	Division of Social Services	
4		
5	01. Work First Family Assistance (Cash Assistance)	\$90,857,234
6		
7	02. Work First County Block Grants	94,453,315
8		
9	03. Work First Functional Assessment	2,721,787
10		
11	04. Child Protective Services – Child Welfare	
12	Workers for Local DSS	14,452,391
13		
14	05. Work First – Boys and Girls Clubs	2,000,000
15		
16	06. Work First – After-School Services for	
17	At-Risk Children	2,049,642
18		
19	07. Work First – After-School Programs for	
20	At-Risk Youth in Middle Schools	500,000
21		
22	08. Work First – Connect, Inc.	550,000
23		
24	09. Work First – Citizens Schools Program	600,000
25		
26	10. Adoption Services – Special Children's	
27	Adoption Fund	3,000,000
28		
29	11. Family Violence Prevention	2,200,000
30		
31	Division of Child Development	
32		
33	12. Subsidized Child Care Program	61,087,077
34		
35	Division of Public Health	
36		
37	13. Teen Pregnancy Prevention Initiatives	450,000
38		
39	DHHS Administration	
40		
41	14. Division of Social Services	995,142
42		
43	15. Office of the Secretary	66,101
44		

1	16.	Office of the Secretary/DIRM – TANF	
2		Automation Projects	595,541
3			
4	17.	Office of the Secretary/DIRM – NC FAST	
5		Implementation	1,200,000
6			
7	Transfers to Other Block Grants		
8			
9	Division of Child Development		
10			
11	18.	Transfer to the Child Care and	
12		Development Fund	84,330,900
13			
14	Division of Social Services		
15			
16	19.	Transfer to Social Services Block Grant for	
17		Department of Juvenile Justice and Delinquency	
18		Prevention – Support Our Students	2,649,642
19			
20	20.	Transfer to Social Services Block Grant for Child	
21		Protective Services – Child Welfare Training in	
22		Counties	2,738,827
23			
24	21.	Transfer to Social Services Block Grant for	
25		Maternity Homes	838,000
26			
27	22.	Transfer to Social Services Block Grant for Teen	
28		Pregnancy Prevention Initiatives	2,500,000
29			
30	23.	Transfer to Social Services Block Grant for County	
31		Departments of Social Services for Children's Services	4,620,619
32			
33	24.	Transfer to Social Services Block Grant for	
34		Foster Care Services	2,372,587
35			
36	25.	Transfer to Social Services Block Grant for	
37		Medically Fragile Children	190,000
38			
39	TOTAL TEMPORARY ASSISTANCE TO NEEDY FAMILIES		
40	(TANF) BLOCK GRANT		
41			\$378,018,805
42	SOCIAL SERVICES BLOCK GRANT		
43			
44	Local Program Expenditures		

1		
2	Divisions of Social Services and Aging and Adult Services	
3		
4	01. County Departments of Social Services	\$ 28,868,189
5	(Transfer from TANF – \$4,620,619)	
6		
7	02. State In-Home Services Fund	2,101,113
8		
9	03. State Adult Day Care Fund	2,155,301
10		
11	04. Child Protective Services/CPS Investigative	
12	Services – Child Medical Evaluation Program	238,321
13		
14	05. Foster Care Services	2,372,587
15	(Transfer from TANF)	
16		
17	06. Child Protective Services – Child Welfare Training	
18	for Counties	2,738,827
19	(Transfer from TANF)	
20		
21	07. Maternity Homes	838,000
22	(Transfer from TANF)	
23		
24	08. Special Children Adoption Incentive Fund	500,000
25		
26	Division of Aging and Adult Services	
27		
28	09. Home and Community Care Block Grant (HCCBG)	1,834,077
29		
30	Division of Mental Health, Developmental Disabilities, and Substance	
31	Abuse Services	
32		
33	10. Mental Health Services Program	422,003
34		
35	11. Developmental Disabilities Services Program	5,000,000
36		
37	12. Mental Health Services – Adult and	
38	Child/Developmental Disabilities Program/	
39	Substance Abuse Services – Adult	3,234,601
40		
41	Division of Child Development	
42		
43	13. Subsidized Child Care Program	3,150,000
44		

1	Division of Vocational Rehabilitation	
2		
3	14. Vocational Rehabilitation Services – Easter Seal	
4	Society/UCP	188,263
5		
6	Division of Public Health	
7		
8	15. Teen Pregnancy Prevention Initiatives	2,500,000
9	(Transfer from TANF)	
10		
11	16. Services to Medically Fragile Children	290,000
12		
13	DHHS Program Expenditures	
14		
15	Division of Aging and Adult Services	
16		
17	17. UNC-CARES Training Contract	247,920
18		
19	Division of Services for the Blind	
20		
21	18. Independent Living Program	3,633,077
22		
23	Division of Health Service Regulation	
24		
25	19. Adult Care Licensure Program	411,897
26		
27	20. Mental Health Licensure and Certification Program	205,668
28		
29	DHHS Administration	
30		
31	21. Division of Aging and Adult Services	675,593
32		
33	22. Division of Social Services	869,058
34		
35	23. Office of the Secretary/Controller's Office	135,093
36		
37	24. Office of the Secretary/DIRM	82,009
38		
39	25. Division of Child Development	15,000
40		
41	26. Division of Mental Health, Developmental	
42	Disabilities, and Substance Abuse Services	28,860
43		
44	27. Division of Health Service Regulation	216,418

1		
2	28.	Office of the Secretary – NC Inter-Agency Council
3		For Coordinating Homeless Programs
4		250,000
5	29.	Office of the Secretary – Housing Coalition
6		100,000
7	30.	Office of the Secretary
8		46,819
9	Transfers to Other State Agencies	
10		
11	Department of Administration	
12		
13	31.	NC Commission of Indian Affairs In-Home
14		Services for the Elderly
15		203,198
16	Department of Juvenile Justice and Delinquency Prevention	
17		
18	32.	Support Our Students
19		(Transfer from TANF)
20		2,649,642
21	Transfers to Other Block Grants	
22		
23	Division of Public Health	
24		
25	33.	Transfer to Preventive Health Services Block Grant for
26		HIV/STD Prevention and Community Planning
27		145,819
28	TOTAL SOCIAL SERVICES BLOCK GRANT	
29		\$ 66,347,353
30	LOW-INCOME ENERGY BLOCK GRANT	
31		
32	Local Program Expenditures	
33		
34	Division of Social Services	
35		
36	01.	Low-Income Energy Assistance Program (LIHEAP)
37		\$ 19,510,559
38	02.	Crisis Intervention Program (CIP)
39		14,588,514
40	Office of the Secretary – Office of Economic Opportunity	
41		
42	03.	Weatherization Program
43		6,268,946
44	04.	Heating Air Repair & Replacement Program (HARRP)
		2,923,950

1		
2	Local Administration	
3		
4	Division of Social Services	
5		
6	05. County DSS Administration	2,259,757
7		
8	Office of the Secretary – Office of Economic Opportunity	
9		
10	06. Local Residential Energy Efficiency Service	
11	Providers – Weatherization	268,146
12		
13	07. Local Residential Energy Efficiency Service	
14	Providers – HARRP	125,067
15		
16	DHHS Administration	
17		
18	08. Division of Social Services	219,410
19		
20	09. Division of Mental Health, Developmental	
21	Disabilities, and Substance Abuse Services	7,389
22		
23	10. Office of the Secretary/DIRM	245,395
24		
25	11. Office of the Secretary/Controller's Office	11,211
26		
27	12. Office of the Secretary/Office of Economic	
28	Opportunity – Weatherization	268,146
29		
30	13. Office of the Secretary/Office of Economic	
31	Opportunity – HARRP	125,067
32		
33	Transfers to Other State Agencies	
34		
35	14. Department of Administration –	
36	N.C. State Commission of Indian Affairs	60,947
37		
38	TOTAL LOW-INCOME ENERGY BLOCK GRANT	\$ 46,882,504
39		
40	CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT	
41		
42	Local Program Expenditures	
43		
44	Division of Child Development	

1		
2	01. Subsidized Child Care Services	\$148,484,960
3		
4	02. Child Care Services Support – Contract	504,695
5		
6	03. Subsidized Child Care Services	
7	(TANF to CCDF)	84,330,900
8		
9	DHHS Program Expenditures	
10		
11	Division of Child Development	
12		
13	04. Quality and Availability Initiatives	27,298,901
14		
15	Local Administration	
16		
17	Division of Social Services	
18		
19	05. Administrative Expenses (Nondirect Subsidy	
20	Services Support)	15,813,021
21		
22	DHHS Administration	
23		
24	06. DCD Administrative Expenses	6,540,707
25		
26	DHHS Central Management and Support	
27		
28	07. DHHS Central Administration – DIRM	
29	Technical Services	749,081
30		
31	TOTAL CHILD CARE AND DEVELOPMENT FUND	
32	BLOCK GRANT	\$283,722,265
33		
34	MENTAL HEALTH SERVICES BLOCK GRANT	
35		
36	Local Program Expenditures	
37		
38	01. Mental Health Services – Adult	\$ 6,854,932
39		
40	02. Mental Health Services – Child	3,921,991
41		
42	03. Comprehensive Treatment Service	
43	Program	1,500,000
44		

1	04.	Mental Health Services – UNC School of Medicine, Department of Psychiatry	300,000
2			
3			
4		Local Administration	
5			
6	05.	Division of Mental Health	100,000
7			
8		TOTAL MENTAL HEALTH SERVICES BLOCK GRANT	\$ 12,676,923
9			
10		SUBSTANCE ABUSE PREVENTION	
11		AND TREATMENT BLOCK GRANT	
12			
13		Local Program Expenditures	
14			
15	01.	Substance Abuse Services – Adult	\$ 21,938,080
16			
17	02.	Substance Abuse Services – ADATC	
18		One-Time Expenses	70,000
19			
20	03.	Substance Abuse Treatment Alternative for	
21		Women	8,069,524
22			
23	04.	Substance Abuse – HIV and IV Drug	5,116,378
24			
25	05.	Substance Abuse Prevention – Child	7,186,857
26			
27	06.	Substance Abuse Services – Child	4,940,500
28			
29		Division of Public Health	
30			
31	07.	Risk Reduction Projects	633,980
32			
33	08.	Aid-to-Counties	209,576
34			
35	09.	Maternal Health	37,779
36			
37		DHHS Administration	
38			
39	10.	Division of Mental Health	500,000
40			
41		TOTAL SUBSTANCE ABUSE PREVENTION	
42		AND TREATMENT BLOCK GRANT	\$ 48,702,674
43			
44		MATERNAL AND CHILD HEALTH BLOCK GRANT	

1		
2	Local Program Expenditures	
3		
4	Division of Public Health	
5		
6	01. Children's Health Services	7,415,569
7		
8	02. Women's Health	7,504,019
9		
10	03. Oral Health	35,951
11		
12	DHHS Program Expenditures	
13		
14	Division of Public Health	
15		
16	04. Children's Health Services	1,554,428
17		
18	05. Women's Health	121,285
19		
20	06. State Center for Health Statistics	120,364
21		
22	07. Quality Improvement in Public Health	14,646
23		
24	08. Health Promotion	84,843
25		
26	09. Office of Minority Health	51,562
27		
28	10. Immunization Program – Vaccine Distribution	310,667
29		
30	11. Task Force on Preventing Childhood Obesity	100,000
31		
32	DHHS Administration	
33		
34	12. Division of Public Health Administration	631,966
35		
36	TOTAL MATERNAL AND CHILD	
37	HEALTH BLOCK GRANT	\$ 17,945,300
38		
39	PREVENTIVE HEALTH SERVICES BLOCK GRANT	
40		
41	Local Program Expenditures	
42		
43	01. NC Statewide Health Promotion	\$1,755,653
44		

1	02.	Services to Rape Victims	197,112
2			
3	03.	HIV/STD Prevention and Community Planning	
4		(Transfer from Social Services Block Grant)	145,819
5			
6		DHHS Program Expenditures	
7			
8	04.	NC Statewide Health Promotion	1,508,889
9			
10	05.	Oral Health	70,000
11			
12	06.	State Laboratory of Public Health	16,600
13			
14		TOTAL PREVENTIVE HEALTH SERVICES BLOCK GRANT	\$3,694,073
15			
16		COMMUNITY SERVICES BLOCK GRANT	
17			
18		Local Program Expenditures	
19			
20		Office of Economic Opportunity – Community Services Block Grant	
21			
22	01.	Community Action Agencies	\$ 16,062,653
23			
24	02.	Limited Purpose Agencies	892,370
25			
26		DHHS Administration	
27			
28	03.	Office of Economic Opportunity	892,369
29			
30		TOTAL COMMUNITY SERVICES BLOCK GRANT	\$ 17,847,392

GENERAL PROVISIONS

SECTION 5.(b) Information to Be Included in Block Grant Plans. – The Department of Health and Human Services shall submit a separate plan for each Block Grant received and administered by the Department, and each plan shall include the following:

- (1) A delineation of the proposed allocations by program or activity, including State and federal match requirements.
- (2) A delineation of the proposed State and local administrative expenditures.
- (3) An identification of all new positions to be established through the Block Grant, including permanent, temporary, and time-limited positions.

- 1 (4) A comparison of the proposed allocations by program or activity with
2 two prior years' program and activity budgets and two prior years'
3 actual program or activity expenditures.
4 (5) A projection of current year expenditures by program or activity.
5 (6) A projection of federal Block Grant funds available, including unspent
6 federal funds from the current and prior fiscal years.

7 **SECTION 5.(c)** Changes in Federal Fund Availability. – If the Congress of
8 the United States increases the federal fund availability for any of the Block Grants
9 administered by the Department of Health and Human Services from the amounts
10 appropriated in this section, the Department shall allocate the increase proportionally
11 across the program and activity appropriations identified for that Block Grant in this
12 section. In allocating an increase in federal fund availability, the Department shall not
13 propose funding for new programs or activities not appropriated in this section or
14 increase State administrative expenditures.

15 If the Congress of the United States decreases the federal fund availability for
16 any of the Block Grants administered by the Department of Health and Human Services
17 from the amounts appropriated in this section, the Department shall reduce State
18 administration by at least the percentage of the reduction in federal funds. After
19 determining the State administration, the remaining reductions shall be allocated
20 proportionately across the program and activity appropriations identified for that Block
21 Grant in this section. In allocating a decrease in federal fund availability, the
22 Department shall not eliminate the funding for a program or activity appropriated in this
23 section unless it is related to the State administration.

24 Prior to allocating the change in federal fund availability, the proposed
25 allocation must be approved by the Office of State Budget and Management. If the
26 Department adjusts the allocation of any Block Grant due to changes in federal fund
27 availability, then a report shall be made to the Joint Legislative Commission on
28 Governmental Operations, the House of Representatives Appropriations Subcommittee
29 on Health and Human Services, the Senate Appropriations Committee on Health and
30 Human Services, and the Fiscal Research Division.

31 **SECTION 5.(d)** All changes to the budgeted allocations to the Block Grants
32 administered by the Department of Health and Human Services that are not specifically
33 addressed in this section shall be approved by the Office of State Budget and
34 Management, and a report shall be submitted to the Joint Legislative Commission on
35 Governmental Operations for review prior to implementing the changes. All changes to
36 the budgeted allocations to the Block Grant shall be reported immediately to the House
37 of Representatives Appropriations Subcommittee on Health and Human Services, the
38 Senate Appropriations Committee on Health and Human Services, and the Fiscal
39 Research Division. This subsection does not apply to Block Grant changes caused by
40 legislative salary increases and benefit adjustments.

41
42 **TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BLOCK GRANT**
43 **(TANF)**

1 **SECTION 5.(e)** The sum of nine hundred ninety-five thousand one hundred
2 forty-two dollars (\$995,142) appropriated in this section in the TANF Block Grant to
3 the Department of Health and Human Services, Division of Social Services, for the
4 2008-2009 fiscal year shall be used to support administration of TANF-funded
5 programs.

6 **SECTION 5.(f)** The sum of two million two hundred thousand dollars
7 (\$2,200,000) appropriated under this section in the TANF Block Grant to the
8 Department of Health and Human Services, Division of Social Services, for the
9 2008-2009 fiscal year shall be used to provide domestic violence services to Work First
10 recipients. These funds shall be used to provide domestic violence counseling, support,
11 and other direct services to clients. These funds shall not be used to establish new
12 domestic violence shelters or to facilitate lobbying efforts. The Division of Social
13 Services may use up to seventy-five thousand dollars (\$75,000) in TANF funds to
14 support one administrative position within the Division of Social Services to implement
15 this subsection.

16 Each county department of social services and the local domestic violence
17 shelter program serving the county shall jointly develop a plan for utilizing these funds.
18 The plan shall include the services to be provided and the manner in which the services
19 shall be delivered. The county plan shall be signed by the county social services director
20 or the director's designee and the domestic violence program director or the director's
21 designee and submitted to the Division of Social Services by December 1, 2008. The
22 Division of Social Services, in consultation with the Council for Women, shall review
23 the county plans and shall provide consultation and technical assistance to the
24 departments of social services and local domestic violence shelter programs, if needed.

25 The Division of Social Services shall allocate these funds to county
26 departments of social services according to the following formula: (i) each county shall
27 receive a base allocation of five thousand dollars (\$5,000); and (ii) each county shall
28 receive an allocation of the remaining funds based on the county's proportion of the
29 statewide total of the Work First caseload as of July 1, 2008, and the county's proportion
30 of the statewide total of the individuals receiving domestic violence services from
31 programs funded by the Council for Women as of July 1, 2008. The Division of Social
32 Services may reallocate unspent funds to counties that submit a written request for
33 additional funds.

34 **SECTION 5.(g)** The sum of two million forty-nine thousand six hundred
35 forty-two dollars (\$2,049,642) appropriated in this section in the TANF Block Grant to
36 the Department of Health and Human Services, Division of Social Services, for the
37 2008-2009 fiscal year shall be used to expand after-school programs and services for
38 at-risk children. The Department shall develop and implement a grant program to award
39 grants to community-based programs that demonstrate the ability to reach children at
40 risk of teen pregnancy, school dropout, and gang participation. The Department shall
41 award grants to community-based organizations that demonstrate the ability to develop
42 and implement linkages with local departments of social services, area mental health
43 programs, schools, and other human services programs in order to provide support
44 services and assistance to the child and family. These funds may be used to fund one

1 position within the Division of Social Services to coordinate at-risk after-school
2 programs and shall not be used for other State administration.

3 **SECTION 5.(h)** The sum of fourteen million four hundred fifty-two
4 thousand three hundred ninety-one dollars (\$14,452,391) appropriated in this section to
5 the Department of Health and Human Services, Division of Social Services, in the
6 TANF Block Grant for the 2008-2009 fiscal year for child welfare improvements, shall
7 be allocated to the county departments of social services for hiring or contracting staff
8 to investigate and provide services in Child Protective Services cases; to provide foster
9 care and support services; to recruit, train, license, and support prospective foster and
10 adoptive families; and to provide interstate and postadoption services for eligible
11 families.

12 **SECTION 5.(i)** The sum of three million dollars (\$3,000,000) appropriated
13 in this section in the TANF Block Grant to the Department of Health and Human
14 Services, Special Children Adoption Fund, for the 2008-2009 fiscal year shall be used
15 in accordance with Section 10.31 of S.L. 2007-323. The Division of Social Services, in
16 consultation with the North Carolina Association of County Directors of Social Services
17 and representatives of licensed private adoption agencies, shall develop guidelines for
18 the awarding of funds to licensed public and private adoption agencies upon the
19 adoption of children described in G.S. 108A-50 and in foster care. Payments received
20 from the Special Children Adoption Fund by participating agencies shall be used
21 exclusively to enhance the adoption services program. No local match shall be required
22 as a condition for receipt of these funds.

23 **SECTION 5.(j)** The sum of one million two hundred thousand dollars
24 (\$1,200,000) in this section appropriated to the Department of Health and Human
25 Services in the TANF Block Grant for the 2008-2009 fiscal year shall be used to
26 implement N.C. FAST (North Carolina Families Accessing Services through
27 Technology). The N.C. FAST program involves the entire automation initiative through
28 which families access services and local departments of social services deliver benefits,
29 supervised by the Department of Health and Human Services, Divisions of Social
30 Services, Aging and Adult Services, Medical Assistance, and Child Development. The
31 statewide automated initiative shall be implemented in compliance with federal
32 regulations in order to ensure federal financial participation in the project. The
33 Department of Health and Human Services shall report on its compliance with this
34 subsection to the House of Representatives Appropriations Subcommittee on Health and
35 Human Services, the Senate Appropriations Committee on Health and Human Services,
36 and the Fiscal Research Division no later than January 1, 2009.

37 **SECTION 5.(k)** The sum of five hundred thousand dollars (\$500,000)
38 appropriated in this section to the Department of Health and Human Services, Division
39 of Social Services, in the TANF Block Grant for the 2008-2009 fiscal year shall be used
40 to expand after-school programs for at-risk children attending middle school. The
41 Department shall develop and implement a grant program to award funds to
42 community-based programs demonstrating the capacity to reach children at risk of teen
43 pregnancy, school dropout, and gang participation. These funds shall not be used for
44 training or administration at the State level. All funds shall be distributed to

1 community-based programs, focusing on those communities where similar programs do
2 not exist in middle schools.

3 **SECTION 5.(l)** In implementing the TANF Block Grant, the Department of
4 Health and Human Services shall review policies, programs, and initiatives to ensure
5 that they support men in their role as fathers and strengthen fathers' involvement in their
6 children's lives. The Department shall encourage county departments of social services
7 to ensure their Work First programs emphasize responsible fatherhood and increased
8 participation by noncustodial fathers.

9 **SECTION 5.(m)** The sum of five hundred fifty thousand dollars (\$550,000)
10 appropriated in this section to the Department of Health and Human Services in the
11 TANF Block Grant for the 2008-2009 fiscal year shall be transferred to Connect, Inc.
12 Connect, Inc., shall report on the number of people served and the services received as a
13 result of the receipt of funds. The report shall contain expenditure data, including the
14 amount of funds used for administration and direct training. The report shall also
15 include the number of people who have been employed as a direct result of services
16 provided by Connect, Inc., including the length of employment in the new position. The
17 Department of Health and Human Services shall evaluate the program and ensure that
18 services provided are not duplicative of local employment security commissions in the
19 nine counties served by Connect, Inc. The evaluation report shall be submitted to the
20 House of Representatives Appropriations Subcommittee on Health and Human
21 Services, the Senate Appropriations Committee on Health and Human Services, and the
22 Fiscal Research Division no later than May 1, 2008.

23 **SECTION 5.(n)** The sum of two million dollars (\$2,000,000) appropriated
24 in this section to the Department of Health and Human Services in the TANF Block
25 Grant for Boys and Girls Clubs for the 2008-2009 fiscal year shall be used to make
26 grants for approved programs. The Department of Health and Human Services, in
27 accordance with federal regulations for the use of TANF Block Grant funds, shall
28 administer a grant program to award funds to the Boys and Girls Clubs across the State
29 in order to implement programs that improve the motivation, performance, and
30 self-esteem of youths and to implement other initiatives that would be expected to
31 reduce gang participation, school dropout, and teen pregnancy rates. The Department
32 shall encourage and facilitate collaboration between the Boys and Girls Clubs and
33 Support Our Students, Communities in Schools, and similar programs to submit joint
34 applications for the funds if appropriate.

35 **SECTION 5.(o)** The Department of Health and Human Services, Division of
36 Social Services, shall continue implementing county demonstration grants that began in
37 the 2006-2007 fiscal year. The county demonstration grants may be awarded for up to
38 three years with all projects ending no later than the end of fiscal year 2009-2010. The
39 purpose of the county demonstration grants is to identify best practices that can be used
40 by counties to improve the work participation rates. The Division of Social Services is
41 authorized to establish two time-limited positions to manage the grant award process
42 and monitor the demonstration projects through fiscal year 2009-2010.

1 Funding provided under the county demonstration grants shall not be used to
2 supplant local funds, and counties shall be required to maintain the current level of
3 effort and funding for the Work First program.

4 The Department of Health and Human Services, Division of Social Services,
5 shall report on the status of county demonstration grants implemented pursuant to this
6 subsection to the House of Representatives Appropriations Subcommittee on Health and
7 Human Services, the Senate Appropriations Committee on Health and Human Services,
8 and the Fiscal Research Division no later than February 1, 2009.

9 **SECTION 5.(p)** The sum of six hundred thousand dollars (\$600,000)
10 appropriated under this section in the TANF block grant to the Department of Health
11 and Human Services, Division of Social Services, for the 2008-2009 fiscal year shall be
12 used to implement a Citizens Schools Program, a three-year urban/rural dropout
13 prevention pilot program in the Durham and Vance county public school systems. The
14 Citizens Schools Program provides high-quality, extended learning time for middle
15 school students in schools with high percentages of minority students, poor students, or
16 both, and students with other risk factors for dropping out and reduces the rate of teen
17 pregnancy. Students in the Citizens Schools Program receive after-school instruction in
18 groups of eight to 12 students per adult. The instruction includes: (i) 60 minutes of
19 daily academic support with strong study skills and critical thinking components, (ii)
20 four 11-week apprenticeships, using volunteers as leaders focusing on 21st century
21 skills, and (iii) career exploration and choice time to further explore a variety of
22 interests. Citizens Schools Team Leaders contact each student's family by telephone at
23 least every two weeks to discuss the student's participation and progress.

24 North Carolina State University shall evaluate the program to ensure that the
25 program is effectively helping students stay in school and successfully graduate in their
26 four-year cohort. The evaluation shall include a long-term study of the graduation
27 cohort rate increase as well as short-term measures, including attendance, grade point
28 average, discipline, the program dropout rate, credits earned, and postsecondary
29 education matriculation. Not later than January 1, 2009, North Carolina State University
30 shall report to the House of Representatives Appropriations Subcommittee on Health
31 and Human Services, the Senate Appropriations Committee on Health and Human
32 Services, and the Fiscal Research Division on the results of its evaluation.

33 34 **SOCIAL SERVICES BLOCK GRANT**

35 **SECTION 5.(q)** Social Services Block Grant funds appropriated to the
36 North Carolina Inter-Agency Council for Coordinating Homeless Programs and the
37 North Carolina Housing Coalition are exempt from the provisions of 10A NCAC 71R
38 .0201(3).

39 **SECTION 5.(r)** The sum of two million six hundred forty-nine thousand six
40 hundred forty-two dollars (\$2,649,642) appropriated in this section in the Social
41 Services Block Grant to the Department of Health and Human Services and transferred
42 to the Department of Juvenile Justice and Delinquency Prevention for the 2008-2009
43 fiscal year shall be used to support the existing Support Our Students program,
44 including gang prevention, and to expand the program statewide, focusing on

1 low-income communities in unserved areas. These funds shall not be used for
2 administration of the program.

3 **SECTION 5.(s)** The sum of two million seven hundred thirty-eight thousand
4 eight hundred twenty-seven dollars (\$2,738,827) appropriated in this section in the
5 Social Services Block Grant to the Department of Health and Human Services, Division
6 of Social Services, for the 2008-2009 fiscal year shall be used to support various child
7 welfare training projects as follows:

8 (1) Provide a regional training center in southeastern North Carolina.

9 (2) Support the Master's Degree in Social Work/Baccalaureate Degree in
10 Social Work Collaborative.

11 (3) Provide training for residential child-caring facilities.

12 (4) Provide for various other child welfare training initiatives.

13 **SECTION 5.(t)** The sum of eight hundred thirty-eight thousand dollars
14 (\$838,000) appropriated in this section in the Social Services Block Grant to the
15 Department of Health and Human Services for the 2008-2009 fiscal year shall be used
16 to purchase services at maternity homes throughout the State.

17 **SECTION 5.(u)** The sum of two million three hundred seventy-two
18 thousand five hundred eighty-seven dollars (\$2,372,587) appropriated in this section in
19 the Social Services Block Grant for child-caring agencies for the 2008-2009 fiscal year
20 shall be allocated to the State Private Child-Caring Agencies Fund.

21 **SECTION 5.(v)** The sum of two hundred ninety thousand dollars (\$290,000)
22 appropriated in this section in the Social Services Block Grant for services to medically
23 fragile children for the 2008-2009 fiscal year shall be used for the child care component
24 of pediatric day treatment centers for medically fragile children.

25 **SECTION 5.(w)** The Department of Health and Human Services is
26 authorized, subject to the approval of the Office of State Budget and Management, to
27 transfer Social Services Block Grant funding allocated for departmental administration
28 between divisions that have received administrative allocations from the Social Services
29 Block Grant.

30 **LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM**

31 **SECTION 5.(x)** Additional emergency contingency funds received may be
32 allocated for Energy Assistance Payments or Crisis Intervention Payments without prior
33 consultation with the Joint Legislative Commission on Governmental Operations.
34 Additional funds received shall be reported to the Joint Legislative Commission on
35 Governmental Operations and the Fiscal Research Division upon notification of the
36 award. The Department of Health and Human Services shall not allocate funds for any
37 activities, including increasing administration, other than assistance payments, without
38 prior consultation with the Joint Legislative Commission on Governmental Operations.
39

40 **CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT**

41 **SECTION 5.(y)** Payment for subsidized child care services provided with
42 federal TANF funds shall comply with all regulations and policies issued by the
43 Division of Child Development for the subsidized child care program.
44

1 **SECTION 5.(z)** If funds appropriated through the Child Care and
2 Development Fund Block Grant for any program cannot be obligated or spent in that
3 program within the obligation or liquidation periods allowed by the federal grants, the
4 Department may move funds to child care subsidies, unless otherwise prohibited by
5 federal requirements of the grant, in order to use the federal funds fully.

6
7 **MENTAL HEALTH BLOCK GRANT**

8 **SECTION 5.(aa)** The sum of one million five hundred thousand dollars
9 (\$1,500,000) appropriated in this section in the Mental Health Block Grant to the
10 Department of Health and Human Services, Division of Mental Health, Developmental
11 Disabilities, and Substance Abuse Services, for the 2008-2009 fiscal year and the sum
12 of four hundred twenty-two thousand three dollars (\$422,003) appropriated in this
13 section in the Social Services Block Grant to the Department of Health and Human
14 Services, Division of Social Services, for the 2008-2009 fiscal year shall be used to
15 continue a Comprehensive Treatment Services Program for Children in accordance with
16 Section 10.10 of S.L. 2007-323.

17 **SECTION 5.(bb)** Of the three hundred thousand dollars (\$300,000)
18 appropriated for the UNC School of Medicine, Department of Psychiatry, for the
19 2008-2009 fiscal year, the sum of two hundred thousand dollars (\$200,000) shall be
20 used to: (i) expand the Department of Psychiatry's Schizophrenia Treatment and
21 Evaluation Program (STEP) into a community setting, (ii) provide training for the next
22 generation of psychiatrists, social workers, psychologists, and nurses to address the
23 current workforce crisis, (iii) provide statewide training and consultation in
24 evidence-based practices, and (iv) provide ongoing support for the STEP and OASIS
25 clinics.

26 Of the three hundred thousand dollars (\$300,000) appropriated for the UNC
27 School of Medicine, Department of Psychiatry, for the 2008-2009 fiscal year, the sum
28 of one hundred thousand dollars (\$100,000) shall be used to provide bridge funding for
29 OASIS, a statewide program providing targeted, intense interventions to individuals in
30 the early stages of schizophrenia when chronicity and disability may be most
31 preventable. Funds shall be used to support OASIS as foundation support ends, allowing
32 OASIS to transition to funding through private insurance, Medicaid, State
33 appropriations for Mental Health, Developmental Disabilities, and Substance Abuse
34 Services, and other funding streams.

35
36 **MATERNAL AND CHILD HEALTH BLOCK GRANT**

37 **SECTION 5.(cc)** The sum of one hundred thousand dollars (\$100,000)
38 appropriated in this section in the Maternal and Child Health Block Grant to the
39 Department of Health and Human Services, Division of Public Health, for the
40 2008-2009 fiscal year shall be used to establish a Task Force on Preventing Childhood
41 Obesity (Task Force) to be cochaired by the State Health Director and the Chairman of
42 the State Board of Education. The Task Force is to review current State activities in the
43 Department of Health and Human Services, the Department of Public Instruction, and
44 the Health and Wellness Trust Fund and develop a comprehensive statewide strategic

1 plan with recommendations for preventing childhood obesity. The goals of the strategic
2 plan shall encompass the following framework of initiatives:

- 3 (1) Providing healthier foods to students;
- 4 (2) Improving the availability of healthy foods at home and in the
5 community;
- 6 (3) Increasing the frequency, intensity, and duration of physical activity in
7 schools;
- 8 (4) Encouraging communities to establish a master plan for pedestrian and
9 bicycle pathways;
- 10 (5) Improving access to safe places where children can play; and
- 11 (6) Developing activities or programs that limit children's screen time,
12 including limits on video games and television.

13 Membership on the task force shall include, but is not limited to,
14 representatives from the following organizations:

- 15 (1) Health and Wellness Trust Fund.
- 16 (2) North Carolina Institute for Public Health.
- 17 (3) UNC Active Living by Design.
- 18 (4) Blue Cross Blue Shield of North Carolina.
- 19 (5) NC Hospital Association.
- 20 (6) NC Parent Teacher Association.
- 21 (7) American Heart Association.
- 22 (8) School Nutrition Association of North Carolina.

23 The Chairman of the State Board of Education and the State Health Director shall report
24 to the House of Representatives Chairs of the Appropriations Subcommittees on Health
25 and Human Services and Education, the Senate Chairs of the Appropriations
26 Committees on Health and Human Services and Education/Public Instruction, the Joint
27 Legislative Oversight Committee on Education, the Joint Legislative Oversight
28 Committee on Health, and the Fiscal Research Division on the Task Force on
29 Preventing Childhood Obesity's strategic plan and recommendations by January 15,
30 2009, or upon the convening of the 2009 Session of the General Assembly, whichever
31 occurs first.

32 **SECTION 5.(dd)** If federal funds are received under the Maternal and Child
33 Health Block Grant for abstinence education, pursuant to section 912 of Public Law
34 104-193 (42 U.S.C. § 710), for the 2008-2009 fiscal year, then those funds shall be
35 transferred to the State Board of Education to be administered by the Department of
36 Public Instruction. The Department of Public Instruction shall use the funds to establish
37 an Abstinence Until Marriage Education Program and shall delegate to one or more
38 persons the responsibility of implementing the program and G.S. 115C-81(e1)(4). The
39 Department of Public Instruction shall carefully and strictly follow federal guidelines in
40 implementing and administering the abstinence education grant funds.

41 **SECTION 5.(ee)** The Department of Health and Human Services shall
42 ensure that there will be follow-up testing in the Newborn Screening Program.

43 **NER BLOCK GRANTS**

SECTION 6.(a) Appropriations from federal block grant funds are made for the fiscal year ending June 30, 2009, according to the following schedule:

COMMUNITY DEVELOPMENT BLOCK GRANT

01. State Administration	\$ 1,000,000
02. Urgent Needs and Contingency	1,000,000
03. Scattered Site Housing	13,200,000
04. Economic Development	8,710,000
05. Small Business/Entrepreneurship	1,000,000
06. Community Revitalization	13,000,000
07. State Technical Assistance	450,000
08. Housing Development	1,500,000
09. Infrastructure	5,140,000

TOTAL COMMUNITY DEVELOPMENT BLOCK GRANT – 2009 Program Year \$ 45,000,000

SECTION 6.(b) Decreases in Federal Fund Availability. – If federal funds are reduced below the amounts specified above after the effective date of this act, then every program in each of these federal block grants shall be reduced by the same percentage as the reduction in federal funds.

SECTION 6.(c) Increases in Federal Fund Availability for Community Development Block Grant. – Any block grant funds appropriated by the Congress of the United States in addition to the funds specified in this section shall be expended as follows: each program category under the Community Development Block Grant shall be increased by the same percentage as the increase in federal funds.

SECTION 6.(d) Limitations on Community Development Block Grant Funds. – Of the funds appropriated in this section for the Community Development Block Grant, the following shall be allocated in each category for each program year: up to one million dollars (\$1,000,000) may be used for State Administration; not less than one million dollars (\$1,000,000) may be used for Urgent Needs and Contingency; up to thirteen million two hundred thousand dollars (\$13,200,000) may be used for Scattered Site Housing; eight million seven hundred ten thousand dollars (\$8,710,000) may be used for Economic Development; up to one million dollars (\$1,000,000) may be used for Small Business/Entrepreneurship; not less than thirteen million dollars

1 (\$13,000,000) shall be used for Community Revitalization; up to four hundred fifty
2 thousand dollars (\$450,000) may be used for State Technical Assistance; up to one
3 million five hundred thousand dollars (\$1,500,000) may be used for Housing
4 Development; up to five million one hundred forty thousand dollars (\$5,140,000) may
5 be used for Infrastructure. If federal block grant funds are reduced or increased by the
6 Congress of the United States after the effective date of this act, then these reductions or
7 increases shall be allocated in accordance with subsection (b) or (c) of this section, as
8 applicable.

9 **SECTION 6.(e)** Increase Capacity for Nonprofit Organizations. – Assistance
10 to nonprofit organizations to increase their capacity to carry out CDBG-eligible
11 activities in partnership with units of local government is an eligible activity under any
12 program category in accordance with federal regulations. Capacity building grants may
13 be made from funds available within program categories, program income, or
14 unobligated funds.

15 **SECTION 6.(f)** The Department of Commerce shall consult with the Joint
16 Legislative Commission on Governmental Operations prior to reallocating Community
17 Development Block Grant Funds. Notwithstanding the provisions of this subsection,
18 whenever the Director of the Budget finds that:

19 (1) A reallocation is required because of an emergency that poses an
20 imminent threat to public health or public safety, the Director of the
21 Budget may authorize the reallocation without consulting the
22 Commission. The Department of Commerce shall report to the
23 Commission on the reallocation no later than 30 days after it was
24 authorized and shall identify in the report the emergency, the type of
25 action taken, and how it was related to the emergency.

26 (2) The State will lose federal block grant funds or receive fewer federal
27 block grant funds in the next fiscal year unless a reallocation is made.
28 The Department of Commerce shall provide a written report to the
29 Commission on the proposed reallocation and shall identify the reason
30 that failure to take action will result in the loss of federal funds. If the
31 Commission does not hear the issue within 30 days of receipt of the
32 report, the Department may take the action without consulting the
33 Commission.

34 **HOUSING FINANCE AGENCY HOME PROTECTION PILOT PROGRAM**

35 **SECTION 7.** Section 22.1.(f) of S.L 2007-323 reads as rewritten:

36 **"SECTION 22.1.(f)** This section applies ~~only~~ to the 2007-2008 fiscal year. year and
37 to the 2008-2009 fiscal year."
38

39 **EFFECTIVE DATE**

40 **SECTION 8.** This act becomes effective June 30, 2008, and expires July 15,
41 2008, at 11:59 P.M.
42