

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

H

2

HOUSE BILL 2351*
Committee Substitute Favorable 6/29/06

Short Title: Continuing Appropriations. (Public)

Sponsors:

Referred to:

May 23, 2006

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

A BILL TO BE ENTITLED
AN ACT TO MAKE CONTINUING APPROPRIATIONS AND EXTEND CERTAIN
BUDGET PROVISIONS UNTIL JULY 14, 2006.

The General Assembly of North Carolina enacts:

BUDGET CONTINUATION

SECTION 1. The Director of the Budget may continue to allot funds for expenditure by State departments, institutions, and agencies at a level not to exceed the level of recurring expenditures authorized for the 2006-2007 fiscal year in S.L. 2005-276, as amended.

The Director of the Budget shall not allocate funds for any of the purposes set out in the budget reductions contained in Senate Bill 1741, third edition, and Senate Bill 1741, sixth edition, that are not in controversy.

Vacant positions subject to the proposed budget reductions in either Senate Bill 1741, third edition, or Senate Bill 1741, sixth edition, shall not be filled.

To the extent necessary to implement this authorization, there is appropriated from the appropriate State funds and cash balances, federal receipts, and departmental receipts for the 2006-2007 fiscal year funds necessary to carry out this section.

The appropriations and the authorizations to allocate and spend funds which are set out in this section shall remain in effect until the Current Operations and Capital Improvements Appropriations Act of 2006 becomes law, at which time that act shall become effective and shall govern appropriations and expenditures. When the Current Operations and Capital Improvements Appropriations Act of 2006 becomes law, the Director of the Budget shall adjust allotments to give effect to that act from July 1, 2006.

Except as otherwise provided by this act, the limitations and directions for the 2005-2006 fiscal year set out in S.L. 2005-276, as amended, shall remain in effect. Session laws that applied to appropriations to particular agencies or for particular

1 purposes apply to the funds appropriated and authorized for expenditure under this
2 section.

3
4 **NO AUTOMATIC STEP INCREASE FOR STATE AND PUBLIC SCHOOL**
5 **EMPLOYEES**

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

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

12
13 **FUNDS SHALL NOT REVERT**

14 **SECTION 3.(a)** If the provisions of either Senate Bill 1741, third edition, or
15 Senate Bill 1741, sixth edition, or both, direct that funds shall not revert, the funds shall
16 not revert on June 30, 2006. Unless these funds are encumbered on or before June 30,
17 2006, these funds shall not be expended after June 30, 2006, except as provided by a
18 law enacted after June 30, 2006.

19 **SECTION 3.(b)** This section becomes effective June 30, 2006.

20
21 **STATE CONTROLLER SHALL NOT TRANSFER FUNDS ON JUNE 30**

22 **SECTION 4.(a)** Notwithstanding G.S. 143-15.2 and G.S. 143-15.3A, for the
23 2005-2006 fiscal year only, funds shall not be reserved to the Repairs and Renovations
24 Reserve Account, and the State Controller shall not transfer funds from the unreserved
25 credit balance to the Repairs and Renovations Reserve Account on June 30, 2006.

26 **SECTION 4.(b)** Notwithstanding G.S. 143-15.2 and G.S. 143-15.3, for the
27 2005-2006 fiscal year only, funds shall not be reserved to the Savings Reserve Account,
28 and the State Controller shall not transfer funds from the unreserved credit balance to
29 the Savings Reserve Account on June 30, 2006.

30 **SECTION 4.(c)** This section becomes effective June 30, 2006.

31
32 **DHHS BLOCK GRANTS**

33 **SECTION 5.1.(a)** Appropriations from federal block grant funds are made
34 for the fiscal year ending June 30, 2007, according to the following schedule:

35
36 **TEMPORARY ASSISTANCE TO NEEDY FAMILIES**
37 **(TANF) BLOCK GRANT**

38
39 **Local Program Expenditures**

40
41 **Division of Social Services**

42
43 01. Work First Family Assistance (Cash Assistance) \$102,625,680

1	02.	Work First County Block Grants	94,653,315
2			
3	03.	County Demonstration Grants	19,048,322
4			
5	04.	Child Protective Services – Child Welfare	
6		Workers for Local DSS	12,452,391
7			
8	05.	Work First – Boys and Girls Clubs	1,500,000
9			
10	06.	Work First – After-School Services for	
11		At-Risk Children	2,249,642
12			
13	07.	Work First – After-School Programs for	
14		At-Risk Youth in Middle Schools	500,000
15			
16	08.	Work First – Work Central	550,000
17			
18	09.	Adoption Services – Special Children's	
19		Adoption Fund	3,000,000
20			
21	10.	Family Violence Prevention	2,200,000
22			
23	11.	Foster Care	2,000,000
24			
25		Division of Child Development	
26			
27	12.	Subsidized Child Care Program	48,563,266
28			
29		DHHS Administration	
30			
31	13.	Division of Social Services	586,931
32			
33	14.	Office of the Secretary	65,836
34			
35	15.	Office of the Secretary/DIRM – TANF	
36		Automation Projects	592,500
37			
38	16.	Office of the Secretary/DIRM – NC FAST	
39		Implementation	1,800,000
40			
41		Transfers to Other Block Grants	
42			
43		Division of Child Development	
44			

1	17.	Transfer to the Child Care and	
2		Development Fund	81,292,880
3			
4		Division of Social Services	
5			
6	18.	Transfer to Social Services Block Grant for	
7		Department of Juvenile Justice and Delinquency	
8		Prevention – Support Our Students	2,749,642
9			
10	19.	Transfer to Social Services Block Grant for Child	
11		Protective Services – Child Welfare Training in	
12		Counties	2,550,000
13			
14	20.	Transfer to Social Services Block Grant for	
15		Maternity Homes	838,000
16			
17	21.	Transfer to Social Services Block Grant for Teen	
18		Pregnancy Prevention Initiatives	2,500,000
19			
20	22.	Transfer to Social Services Block Grant for County	
21		Departments of Social Services for Children's Services	4,500,000
22			
23	23.	Transfer to Social Services Block Grant for	
24		Foster Care Services	1,181,907
25			
26	TOTAL TEMPORARY ASSISTANCE TO NEEDY FAMILIES		
27	(TANF) BLOCK GRANT		\$388,000,312
28			
29	SOCIAL SERVICES BLOCK GRANT		
30			
31	Local Program Expenditures		
32			
33	Divisions of Social Services and Aging and Adult Services		
34			
35	01.	County Departments of Social Services	\$ 28,868,189
36		(Transfer from TANF – \$4,500,000)	
37			
38	02.	State In-Home Services Fund	2,101,113
39			
40	03.	State Adult Day Care Fund	2,155,301
41			
42	04.	Child Protective Services/CPS Investigative	
43		Services-Child Medical Evaluation Program	238,321
44			

1	05.	Foster Care Services	1,706,063
2		(Transfer from TANF – \$1,181,907)	
3			
4	06.	Child Protective Services-Child Welfare Training	
5		for Counties	2,550,000
6		(Transfer from TANF)	
7			
8	07.	Maternity Homes	838,000
9		(Transfer from TANF)	
10			
11	08.	Local DSS Services for Hurricane Victims	509,272
12			
13		Division of Aging and Adult Services	
14			
15	09.	Home and Community Care Block Grant (HCCBG)	1,834,077
16			
17		Division of Mental Health, Developmental Disabilities, and Substance	
18		Abuse Services	
19			
20	10.	Mental Health Services Program	422,003
21			
22	11.	Developmental Disabilities Services Program	5,000,000
23			
24	12.	Mental Health Services-Adult/Mental Health Services-	
25		Child/Developmental Disabilities Program/	
26		Substance Abuse Services-Adult	3,234,601
27			
28		Division of Child Development	
29			
30	13.	Subsidized Child Care Program	3,150,000
31			
32		Division of Vocational Rehabilitation	
33			
34	14.	Vocational Rehabilitation Services – Easter Seal	
35		Society/UCP	188,263
36			
37		Office of the Secretary – Office of Economic Opportunity	
38			
39	15.	Elderly Supplemental Grant Program	41,302
40			
41		Division of Public Health	
42			
43	16.	Teen Pregnancy Prevention Initiatives	2,500,000
44		(Transfer from TANF)	

1		
2	DHHS Program Expenditures	
3		
4	Division of Aging and Adult Services	
5		
6	17. UNC-CARES Training Contract	247,920
7		
8	Division of Services for the Blind	
9		
10	18. Independent Living Program	3,314,114
11		
12	Division of Facility Services	
13		
14	19. Adult Care Licensure Program	411,897
15		
16	20. Mental Health Licensure and Certification Program	205,668
17		
18	DHHS Administration	
19		
20	21. Division of Aging and Adult Services	630,636
21		
22	22. Division of Social Services	869,058
23		
24	23. Office of the Secretary/Controller's Office	123,059
25		
26	24. Office of the Secretary/DIRM	82,009
27		
28	25. Division of Child Development	15,000
29		
30	26. Division of Mental Health, Developmental	
31	Disabilities, and Substance Abuse Services	18,098
32		
33	27. Division of Facility Services	62,986
34		
35	28. Office of the Secretary-NC Inter-Agency Council	
36	For Coordinating Homeless Programs	250,000
37		
38	29. Office of the Secretary-Housing Coalition	100,000
39		
40	Transfers to Other State Agencies	
41		
42	Department of Administration	
43		
44	30. NC Commission of Indian Affairs In-Home	

1	Services for the Elderly	203,198
2		
3	Department of Juvenile Justice and Delinquency Prevention	
4		
5	31. Support Our Students	2,749,642
6	(Transfer from TANF)	
7		
8	Transfers to Other Block Grants	
9		
10	Division of Public Health	
11		
12	32. Transfer to Preventive Health Services Block Grant for	
13	HIV/STD Prevention and Community Planning	145,819
14		
15	TOTAL SOCIAL SERVICES BLOCK GRANT	\$ 64,765,609
16		
17	LOW-INCOME ENERGY BLOCK GRANT	
18		
19	Local Program Expenditures	
20		
21	Division of Social Services	
22		
23	01. Low-Income Energy Assistance Program (LIHEAP)	\$ 28,684,494
24		
25	02. Crisis Intervention Program (CIP)	20,831,114
26		
27	Office of the Secretary – Office of Economic Opportunity	
28		
29	03. Weatherization Program	9,431,545
30		
31	04. Heating Air Repair & Replacement Program (HARRP)	4,399,042
32		
33	Local Administration	
34		
35	Division of Social Services	
36		
37	05. County DSS Administration	2,057,992
38		
39	Office of the Secretary – Office of Economic Opportunity	
40		
41	06. Local Residential Energy Efficiency Service	
42	Providers – Weatherization	257,185
43		
44	07. Local Residential Energy Efficiency Service	

1	Providers – HARRP	119,955
2		
3	DHHS Administration	
4		
5	08. Division of Social Services	319,774
6		
7	09. Division of Mental Health, Developmental	
8	Disabilities, and Substance Abuse Services	7,146
9		
10	10. Office of the Secretary/DIRM	245,395
11		
12	11. Office of the Secretary/Controller's Office	11,211
13		
14	12. Office of the Secretary/Office of Economic	
15	Opportunity – Weatherization	257,185
16		
17	13. Office of the Secretary/Office of Economic	
18	Opportunity – HARRP	119,955
19		
20	Transfers to Other State Agencies	
21		
22	14. Department of Administration –	
23	N.C. State Commission of Indian Affairs	58,455
24		
25	TOTAL LOW-INCOME ENERGY BLOCK GRANT	\$ 66,800,448
26		
27	CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT	
28		
29	Local Program Expenditures	
30		
31	Division of Child Development	
32		
33	01. Subsidized Child Care Services	\$165,102,685
34		
35	02. Subsidized Child Care Services	
36	(TANF to CCDF)	81,292,880
37		
38	DHHS Program Expenditures	
39		
40	Division of Child Development	
41		
42	03. Quality and Availability Initiatives	34,951,707
43		
44	Local Administrations	

1		
2	Division of Child Development	
3		
4	04. Administrative Expenses (Nondirect Subsidy	
5	Services Support)	1,849,000
6		
7	DHHS Administration	
8		
9	05. DCD Administrative Expenses	6,028,354
10		
11	TOTAL CHILD CARE AND DEVELOPMENT FUND	
12	BLOCK GRANT	\$289,224,626
13		
14	MENTAL HEALTH SERVICES BLOCK GRANT	
15		
16	Local Program Expenditures	
17		
18	01. Mental Health Services – Adult	\$ 7,184,481
19		
20	02. Mental Health Services – Child	3,921,991
21		
22	03. Comprehensive Treatment Service	
23	Program	1,500,000
24		
25	Local Administration	
26		
27	04. Division of Mental Health	100,000
28		
29	TOTAL MENTAL HEALTH SERVICES BLOCK GRANT	\$ 12,706,472
30		
31	SUBSTANCE ABUSE PREVENTION	
32	AND TREATMENT BLOCK GRANT	
33		
34	Local Program Expenditures	
35		
36	01. Substance Abuse Services – Adult	\$ 20,537,390
37		
38	02. Substance Abuse Treatment Alternative for	
39	Women	8,069,524
40		
41	03. Substance Abuse – HIV and IV Drug	4,816,378
42		
43	04. Substance Abuse Prevention – Child	5,835,701
44		

1	05.	Substance Abuse Services – Child	4,940,500
2			
3	06.	Substance Abuse Strengthening Families –	
4		Prevention	851,156
5			
6		Division of Public Health	
7			
8	07.	Risk Reduction Projects	383,980
9			
10	08.	Aid-to-Counties	209,576
11			
12	09.	Maternal Health	37,779
13			
14		DHHS Administration	
15			
16	10.	Division of Mental Health	500,000
17			
18		TOTAL SUBSTANCE ABUSE PREVENTION	
19		AND TREATMENT BLOCK GRANT	\$ 46,181,984
20			
21		MATERNAL AND CHILD HEALTH BLOCK GRANT	
22			
23		Local Program Expenditures	
24			
25		Division of Public Health	
26			
27	01.	Healthy Mothers/Healthy Children	9,359,236
28			
29	02.	Children's Health Services	4,114,216
30			
31	03.	Healthy Beginnings	404,559
32			
33	04.	Maternal Health	397,761
34			
35	05.	Teen Pregnancy Prevention Initiatives	85,710
36			
37		DHHS Program Expenditures	
38			
39		Division of Public Health	
40			
41	06.	Children's Health Services	3,149,826
42			
43	07.	Maternal Health	185,488
44			

1	08.	State Center for Health Statistics	29,432
2			
3	09.	Local Technical Assistance & Training	47,424
4			
5	10.	Injury and Violence Prevention	149,438
6			
7	11.	Office of Minority Health	98,236
8			
9	12.	Special Supplemental Nutrition Program	
10		for Women, Infants, and Children (WIC)	22,856
11			
12	13.	Immunization Program – Vaccine Distribution	414,175
13			
14		DHHS Administration	
15			
16	14.	Division of Public Health Administration	550,681
17			
18		TOTAL MATERNAL AND CHILD	
19		HEALTH BLOCK GRANT	\$ 19,009,038
20			
21		PREVENTIVE HEALTH SERVICES BLOCK GRANT	
22			
23		Local Program Expenditures	
24			
25	01.	NC Statewide Health Promotion	\$1,755,653
26			
27	02.	Services to Rape Victims	197,112
28			
29	03.	HIV/STD Prevention and Community Planning	
30		(Transfer from Social Services Block Grant)	145,819
31			
32		DHHS Program Expenditures	
33			
34	04.	NC Statewide Health Promotion	431,444
35			
36	05.	Oral Health	114,251
37			
38	06.	Osteoporosis Program	67,593
39			
40		DHHS Administration	
41			
42	07.	Division of Public Health	109,211
43			
44		TOTAL PREVENTIVE HEALTH SERVICES BLOCK GRANT	\$2,821,083

1
2 COMMUNITY SERVICES BLOCK GRANT

3
4 Local Program Expenditures

5
6 Office of Economic Opportunity – Community Services Block Grant

7
8 01. Community Action Agencies \$ 15,071,666

9
10 02. Limited Purpose Agencies 823,261

11
12 DHHS Administration

13
14 03. Office of Economic Opportunity 823,261

15
16 TOTAL COMMUNITY SERVICES BLOCK GRANT \$ 16,718,188

17
18 **GENERAL PROVISIONS**

19 **SECTION 5.1.(b)** Information To Be Included in Block Grant Plans. – The
20 Department of Health and Human Services shall submit a separate plan for each Block
21 Grant received and administered by the Department, and each plan shall include the
22 following:

- 23 (1) A delineation of the proposed allocations by program or activity,
24 including State and federal match requirements.
25 (2) A delineation of the proposed State and local administrative
26 expenditures.
27 (3) An identification of all new positions to be established through the
28 Block Grant, including permanent, temporary, and time-limited
29 positions.
30 (4) A comparison of the proposed allocations by program or activity with
31 two prior years' program and activity budgets and two prior years'
32 actual program or activity expenditures.
33 (5) A projection of current year expenditures by program or activity.
34 (6) A projection of federal Block Grant funds available, including unspent
35 federal funds from the current and prior fiscal years.

36 **SECTION 5.1.(c)** Changes in Federal Fund Availability. – If the Congress
37 of the United States increases the federal fund availability for any of the Block Grants
38 administered by the Department of Health and Human Services from the amounts
39 appropriated in this section, the Department shall allocate the increase proportionally
40 across the program and activity appropriations identified for that Block Grant in this
41 section. In allocating an increase in federal fund availability, the Department shall not
42 propose funding for new programs or activities not appropriated in this section or
43 increase State administrative expenditures.

1 If the Congress of the United States decreases the federal fund availability for
2 any of the Block Grants administered by the Department of Health and Human Services
3 from the amounts appropriated in this section, the Department shall reduce State
4 administration by at least the percentage of the reduction in federal funds. After
5 determining the State administration, the remaining reductions shall be allocated
6 proportionately across the program and activity appropriations identified for that Block
7 Grant in this section. In allocating a decrease in federal fund availability, the
8 Department shall not eliminate the funding for a program or activity appropriated in this
9 section unless it is related to the State administration.

10 Prior to allocating the change in federal fund availability, the proposed
11 allocation must be approved by the Office of State Budget and Management. If the
12 Department adjusts the allocation of any Block Grant due to changes in federal fund
13 availability, then a report shall be made to the Joint Legislative Commission on
14 Governmental Operations, the House of Representatives Appropriations Subcommittee
15 on Health and Human Services, the Senate Appropriations Committee on Health and
16 Human Services, and the Fiscal Research Division.

17 **SECTION 5.1.(d)** All changes to the budgeted allocations to the Block
18 Grants administered by the Department of Health and Human Services that are not
19 specifically addressed in this section shall be approved by the Office of State Budget
20 and Management, and a report shall be submitted to the Joint Legislative Commission
21 on Governmental Operations for review prior to implementing the changes. All changes
22 to the budgeted allocations to the Block Grant shall be reported immediately to the
23 House of Representatives Appropriations Subcommittee on Health and Human
24 Services, the Senate Appropriations Committee on Health and Human Services, and the
25 Fiscal Research Division. This subsection does not apply to Block Grant changes
26 caused by legislative salary increases and benefit adjustments.

27 **SECTION 5.1.(e)** The Department of Health and Human Services shall
28 report to the House of Representatives Appropriations Subcommittee on Health and
29 Human Services, the Senate Appropriations Committee on Health and Human Services,
30 and the Fiscal Research Division on positions funded from federal Block Grants. The
31 report shall include the following for each Block Grant:

- 32 (1) All State positions currently funded through the Block Grant,
33 including permanent, temporary, and time-limited positions.
- 34 (2) Budgeted salary and fringe benefits for each position.
- 35 (3) Identify the percentage of Block Grant funds used to fund each
36 position.

37 The report shall be submitted no later than December 1, 2006.

38 39 **TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BLOCK GRANT** 40 **(TANF)**

41 **SECTION 5.1.(f)** The sum of five hundred eighty-six thousand nine hundred
42 thirty-one dollars (\$586,931) appropriated in this section in the TANF Block Grant to
43 the Department of Health and Human Services, Division of Social Services, for the

1 2006-2007 fiscal year shall be used to support administration of TANF-funded
2 programs.

3 **SECTION 5.1.(g)** The sum of two million two hundred thousand dollars
4 (\$2,200,000) appropriated under this section in the TANF Block Grant to the
5 Department of Health and Human Services, Division of Social Services, for the
6 2006-2007 fiscal year shall be used to provide domestic violence services to Work First
7 recipients. These funds shall be used to provide domestic violence counseling, support,
8 and other direct services to clients. These funds shall not be used to establish new
9 domestic violence shelters or to facilitate lobbying efforts. The Division of Social
10 Services may use up to seventy-five thousand dollars (\$75,000) in TANF funds to
11 support one administrative position within the Division of Social Services to implement
12 this subsection.

13 Each county department of social services and the local domestic violence
14 shelter program serving the county shall jointly develop a plan for utilizing these funds.
15 The plan shall include the services to be provided and the manner in which the services
16 shall be delivered. The county plan shall be signed by the county social services director
17 or the director's designee and the domestic violence program director or the director's
18 designee and submitted to the Division of Social Services by December 1, 2006. The
19 Division of Social Services, in consultation with the Council for Women, shall review
20 the county plans and shall provide consultation and technical assistance to the
21 departments of social services and local domestic violence shelter programs, if needed.

22 The Division of Social Services shall allocate these funds to county
23 departments of social services according to the following formula: (i) each county shall
24 receive a base allocation of five thousand dollars (\$5,000); and (ii) each county shall
25 receive an allocation of the remaining funds based on the county's proportion of the
26 statewide total of the Work First caseload as of July 1, 2006, and the county's proportion
27 of the statewide total of the individuals receiving domestic violence services from
28 programs funded by the Council for Women as of July 1, 2006. The Division of Social
29 Services may reallocate unspent funds to counties that submit a written request for
30 additional funds.

31 **SECTION 5.1.(h)** The sum of two million two hundred forty-nine thousand
32 six hundred forty-two dollars (\$2,249,642) appropriated in this section in the TANF
33 Block Grant to the Department of Health and Human Services, Division of Social
34 Services, for the 2006-2007 fiscal year shall be used to expand after-school programs
35 and services for at-risk children. The Department shall develop and implement a grant
36 program to award grants to community-based programs that demonstrate the ability to
37 reach children at risk of teen pregnancy, school dropout, and gang participation. The
38 Department shall award grants to community-based organizations that demonstrate the
39 ability to develop and implement linkages with local departments of social services,
40 area mental health programs, schools, and other human services programs in order to
41 provide support services and assistance to the child and family. These funds may be
42 used to fund one position within the Division of Social Services to coordinate at-risk
43 after-school programs and shall not be used for other State administration.

1 **SECTION 5.1.(i)** The sum of twelve million four hundred fifty-two
2 thousand three hundred ninety-one dollars (\$12,452,391) appropriated in this section to
3 the Department of Health and Human Services, Division of Social Services, in the
4 TANF Block Grant for the 2006-2007 fiscal year for child welfare improvements, shall
5 be allocated to the county departments of social services for hiring or contracting staff
6 to investigate and provide services in Child Protective Services cases; to provide foster
7 care and support services; to recruit, train, license, and support prospective foster and
8 adoptive families; and to provide interstate and postadoption services for eligible
9 families.

10 **SECTION 5.1.(j)** The sum of three million dollars (\$3,000,000)
11 appropriated in this section in the TANF Block Grant to the Department of Health and
12 Human Services, Special Children Adoption Fund, for the 2006-2007 fiscal year shall
13 be used in accordance with Section 10.48 of S.L. 2005-276. The Division of Social
14 Services, in consultation with the North Carolina Association of County Directors of
15 Social Services and representatives of licensed private adoption agencies, shall develop
16 guidelines for the awarding of funds to licensed public and private adoption agencies
17 upon the adoption of children described in G.S. 108A-50 and in foster care. Payments
18 received from the Special Children Adoption Fund by participating agencies shall be
19 used exclusively to enhance the adoption services program. No local match shall be
20 required as a condition for receipt of these funds.

21 **SECTION 5.1.(k)** The sum of one million eight hundred thousand dollars
22 (\$1,800,000) in this section appropriated to the Department of Health and Human
23 Services in the TANF Block Grant for the 2006-2007 fiscal year shall be used to
24 implement N.C. FAST (North Carolina Families Accessing Services through
25 Technology). The N.C. FAST Program involves the entire automation initiative through
26 which families access services and local departments of social services deliver benefits,
27 supervised by the Department of Health and Human Services, Divisions of Social
28 Services, Aging and Adult Services, Medical Assistance, and Child Development. The
29 statewide automated initiative shall be implemented in compliance with federal
30 regulations in order to ensure federal financial participation in the project. The
31 Department of Health and Human Services shall report on its compliance with this
32 subsection to the House of Representatives Appropriations Subcommittee on Health and
33 Human Services, the Senate Appropriations Committee on Health and Human Services,
34 and the Fiscal Research Division no later than January 1, 2007.

35 **SECTION 5.1.(l)** The sum of five hundred thousand dollars (\$500,000)
36 appropriated in this section to the Department of Health and Human Services, Division
37 of Social Services, in the TANF Block Grant for the 2006-2007 fiscal year shall be used
38 to expand after-school programs for at-risk children attending middle school. The
39 Department shall develop and implement a grant program to award funds to
40 community-based programs demonstrating the capacity to reach children at risk of teen
41 pregnancy, school dropout, and gang participation. These funds shall not be used for
42 training or administration at the State level. All funds shall be distributed to
43 community-based programs, focusing on those communities where similar programs do
44 not exist in middle schools.

1 **SECTION 5.1.(m)** In implementing the TANF Block Grant, the Department
2 of Health and Human Services shall review policies, programs, and initiatives to ensure
3 that they support men in their role as fathers and strengthen fathers' involvement in their
4 children's lives. The Department shall encourage county departments of social services
5 to ensure their Work First programs emphasize responsible fatherhood and increased
6 participation by noncustodial fathers.

7 **SECTION 5.1.(n)** The sum of five hundred fifty thousand dollars
8 (\$550,000) appropriated in this section to the Department of Health and Human
9 Services in the TANF Block Grant for the 2006-2007 fiscal year shall be transferred to
10 Work Central, Inc. Work Central, Inc., shall report on the number of people served and
11 the services received as a result of the receipt of funds. The report shall contain
12 expenditure data, including the amount of funds used for administration and direct
13 training. The report shall also include the number of people who have been employed as
14 a direct result of services provided by Work Central, Inc., including the length of
15 employment in the new position. The Department of Health and Human Services shall
16 evaluate the program and ensure that services provided are not duplicative of local
17 employment security commissions in the nine counties served by Work Central, Inc.
18 The evaluation report shall be submitted to the House of Representatives Appropriations
19 Subcommittee on Health and Human Services, the Senate Appropriations Committee on
20 Health and Human Services, and the Fiscal Research Division no later than May 1,
21 2007.

22 **SECTION 5.1.(o)** The sum of one million five hundred thousand dollars
23 (\$1,500,000) appropriated in this section to the Department of Health and Human
24 Services in the TANF Block Grant for Boys and Girls Clubs for the 2006-2007 fiscal
25 year shall be used to make grants for approved programs. The Department of Health and
26 Human Services, in accordance with federal regulations for the use of TANF Block
27 Grant funds, shall administer a grant program to award funds to the Boys and Girls
28 Clubs across the State in order to implement programs that improve the motivation,
29 performance, and self-esteem of youths and to implement other initiatives that would be
30 expected to reduce gang participation, school dropout, and teen pregnancy rates. The
31 Department shall encourage and facilitate collaboration between the Boys and Girls
32 Clubs and Support Our Students, Communities in Schools, and similar programs to
33 submit joint applications for the funds if appropriate.

34 **SECTION 5.1.(p)** The sum of nineteen million forty-eight thousand three
35 hundred twenty-two dollars (\$19,048,322) appropriated in this section to the
36 Department of Health and Human Services, Division of Social Services, in the TANF
37 Block Grant for the 2006-2007 fiscal year for county demonstration grants shall be used
38 for Work First demonstration projects implemented by county departments of social
39 services. The county demonstration grants may be awarded for up to three years with all
40 projects ending no later than the end of fiscal year 2008-2009. The purpose of the
41 county demonstration grants is to identify best practices that can be used by counties to
42 improve the work participation rates. The Division of Social Services is authorized to
43 establish two time-limited positions to manage the grant award process and monitor the
44 demonstration projects through fiscal year 2008-2009.

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 effort
3 and funding for the Work First program.
4

5 **SOCIAL SERVICES BLOCK GRANT**

6 **SECTION 5.1.(q)** Social Services Block Grant funds appropriated to the
7 North Carolina Inter-Agency Council for Coordinating Homeless Programs and the
8 North Carolina Housing Coalition are exempt from the provisions of 10A NCAC 71R
9 .0201(3).

10 **SECTION 5.1.(r)** The sum of two million seven hundred forty-nine
11 thousand six hundred forty-two dollars (\$2,749,642) appropriated in this section in the
12 Social Services Block Grant to the Department of Health and Human Services and
13 transferred to the Department of Juvenile Justice and Delinquency Prevention for the
14 2006-2007 fiscal year shall be used to support the existing Support Our Students
15 Program, including gang prevention, and to expand the Program statewide, focusing on
16 low-income communities in unserved areas. These funds shall not be used for
17 administration of the Program.

18 **SECTION 5.1.(s)** The sum of two million five hundred fifty thousand
19 dollars (\$2,550,000) appropriated in this section in the Social Services Block Grant to
20 the Department of Health and Human Services, Division of Social Services, for the
21 2006-2007 fiscal year shall be used to support various child welfare training projects as
22 follows:

- 23 (1) Provide a regional training center in southeastern North Carolina.
- 24 (2) Support the Masters Degree in Social Work/Baccalaureate Degree in
25 Social Work Collaborative.
- 26 (3) Provide training for residential child caring facilities.
- 27 (4) Provide for various other child welfare training initiatives.

28 **SECTION 5.1.(t)** The sum of eight hundred thirty-eight thousand dollars
29 (\$838,000) appropriated in this section in the Social Services Block Grant to the
30 Department of Health and Human Services for the 2006-2007 fiscal year shall be used
31 to purchase services at maternity homes throughout the State.

32 **SECTION 5.1.(u)** The sum of one million seven hundred six thousand
33 sixty-three dollars (\$1,706,063) appropriated in this section in the Social Services Block
34 Grant for child caring agencies for the 2006-2007 fiscal year shall be allocated to the
35 State Private Child Caring Agencies Fund.

36 **SECTION 5.1.(v)** The Department of Health and Human Services is
37 authorized, subject to the approval of the Office of State Budget and Management, to
38 transfer Social Services Block Grant funding allocated for departmental administration
39 between divisions that have received administrative allocations from the Social Services
40 Block Grant.
41

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

43 **SECTION 5.1.(w)** Additional emergency contingency funds received may
44 be allocated for Energy Assistance Payments or Crisis Intervention Payments without

1 prior consultation with the Joint Legislative Commission on Governmental Operations.
2 Additional funds received shall be reported to the Joint Legislative Commission on
3 Governmental Operations and the Fiscal Research Division upon notification of the
4 award. The Department of Health and Human Services shall not allocate funds for any
5 activities, including increasing administration, other than assistance payments, without
6 prior consultation with the Joint Legislative Commission on Governmental Operations.
7

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

9 **SECTION 5.1.(x)** The sum of no more than four hundred thousand dollars
10 (\$400,000) appropriated in this section to the Department of Health and Human
11 Services in the Child Care and Development Fund Block Grant for the 2006-2007 fiscal
12 year may be used for the operations of the Medical Child Care Pilot.

13 **SECTION 5.1.(y)** Payment for subsidized child care services provided with
14 federal TANF funds shall comply with all regulations and policies issued by the
15 Division of Child Development for the subsidized child care program.

16 **SECTION 5.1.(z)** If funds appropriated through the Child Care and
17 Development Fund Block Grant for any program cannot be obligated or spent in that
18 program within the obligation or liquidation periods allowed by the federal grants, the
19 Department may move funds to child care subsidies, unless otherwise prohibited by
20 federal requirements of the grant, in order to use the federal funds fully.
21

22 **MENTAL HEALTH BLOCK GRANT**

23 **SECTION 5.1.(aa)** The sum of one million five hundred thousand dollars
24 (\$1,500,000) appropriated in this section in the Mental Health Block Grant to the
25 Department of Health and Human Services, Division of Mental Health, Developmental
26 Disabilities, and Substance Abuse Services, for the 2006-2007 fiscal year, and the sum
27 of four hundred twenty-two thousand three dollars (\$422,003) appropriated in this
28 section in the Social Services Block Grant to the Department of Health and Human
29 Services, Division of Social Services, for the 2006-2007 fiscal year shall be used to
30 continue a Comprehensive Treatment Services Program for Children in accordance with
31 Section 10.25 of S.L. 2005-276.

32 **SECTION 5.1.(bb)** The Department of Health and Human Services shall
33 contract with the University of North Carolina at Chapel Hill for the purpose of
34 providing psychology student stipends in the amount of fifty thousand dollars (\$50,000)
35 for the 2006-2007 fiscal year. Twenty-five thousand dollars (\$25,000) of this contract
36 shall be paid from the Mental Health Block Grant.
37

38 **MATERNAL AND CHILD HEALTH BLOCK GRANT**

39 **SECTION 5.1.(cc)** If federal funds are received under the Maternal and
40 Child Health Block Grant for abstinence education, pursuant to section 912 of Public
41 Law 104-193 (42 U.S.C. § 710), for the 2006-2007 fiscal year, then those funds shall be
42 transferred to the State Board of Education to be administered by the Department of
43 Public Instruction. The Department of Public Instruction shall use the funds to establish
44 an Abstinence Until Marriage Education Program and shall delegate to one or more

1 persons the responsibility of implementing the program and G.S. 115C-81(e1)(4). The
 2 Department of Public Instruction shall carefully and strictly follow federal guidelines in
 3 implementing and administering the abstinence education grant funds.

4 **SECTION 5.1.(dd)** The Department of Health and Human Services shall
 5 ensure that there will be follow-up testing in the Newborn Screening Program.

6
 7 **NER BLOCK GRANTS**

8 **SECTION 5.2.(a)** Appropriations from federal block grant funds are made
 9 for fiscal year ending June 30, 2007, according to the following schedule:

10
 11 **COMMUNITY DEVELOPMENT BLOCK GRANT**

12	13	01. State Administration	\$ 1,000,000
14	15	02. Urgent Needs and Contingency	1,000,000
16	17	03. Scattered Site Housing	13,200,000
18	19	04. Economic Development	8,710,000
20	21	05. Community Revitalization	13,500,000
22	23	06. State Technical Assistance	450,000
24	25	07. Housing Development	2,000,000
26	27	08. Infrastructure	5,140,000

28
 29 **TOTAL COMMUNITY DEVELOPMENT**
 30 **BLOCK GRANT – 2007 Program Year** \$ 45,000,000

31
 32 **SECTION 5.2.(b)** Decreases in Federal Fund Availability. – If federal funds
 33 are reduced below the amounts specified above after the effective date of this act, then
 34 every program in each of these federal block grants shall be reduced by the same
 35 percentage as the reduction in federal funds.

36 **SECTION 5.2.(c)** Increases in Federal Fund Availability for Community
 37 Development Block Grant. – Any block grant funds appropriated by the Congress of the
 38 United States in addition to the funds specified in this section shall be expended as
 39 follows: each program category under the Community Development Block Grant shall
 40 be increased by the same percentage as the increase in federal funds.

41 **SECTION 5.2.(d)** Limitations on Community Development Block Grant
 42 Funds. – Of the funds appropriated in this section for the Community Development
 43 Block Grant, the following shall be allocated in each category for each program year: up
 44 to one million dollars (\$1,000,000) may be used for State Administration; not less than

1 one million dollars (\$1,000,000) may be used for Urgent Needs and Contingency; up to
2 thirteen million two hundred thousand dollars (\$13,200,000) may be used for Scattered
3 Site Housing; up to eight million seven hundred ten thousand dollars (\$8,710,000) may
4 be used for Economic Development, including Urban Redevelopment Grants and Small
5 Business or Entrepreneurial Assistance; not less than thirteen million five hundred
6 thousand dollars (\$13,500,000) shall be used for Community Revitalization; up to four
7 hundred fifty thousand dollars (\$450,000) may be used for State Technical Assistance;
8 up to two million dollars (\$2,000,000) may be used for Housing Development; up to
9 five million one hundred forty thousand dollars (\$5,140,000) may be used for
10 Infrastructure. If federal block grant funds are reduced or increased by the Congress of
11 the United States after the effective date of this act, then these reductions or increases
12 shall be allocated in accordance with subsection (b) or (c) of this section, as applicable.

13 **SECTION 5.2.(e)** Increase Capacity for Nonprofit Organizations. –
14 Assistance to nonprofit organizations to increase their capacity to carry out
15 CDBG-eligible activities in partnership with units of local government is an eligible
16 activity under any program category in accordance with federal regulations. Capacity
17 building grants may be made from funds available within program categories, program
18 income, or unobligated funds.

19 **SECTION 5.2.(f)** The Department of Commerce will create a small
20 business/entrepreneurship program in coordination with micro-lending programs and
21 other small business assistance groups in the State. The Department of Commerce shall
22 award up to one million dollars (\$1,000,000) in grants to local governments to provide
23 assistance to low-to-moderate income individuals for small business and
24 entrepreneurship development.

25 **SECTION 5.2.(g)** The Department of Commerce shall consult with the Joint
26 Legislative Commission on Governmental Operations prior to reallocating Community
27 Development Block Grant Funds. Notwithstanding the provisions of this subsection,
28 whenever the Director of the Budget finds that:

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

36 (2) The State will lose federal block grant funds or receive less federal
37 block grant funds in the next fiscal year unless a reallocation is made.
38 The Department of Commerce shall provide a written report to the
39 Commission on the proposed reallocation and shall identify the reason
40 that failure to take action will result in the loss of federal funds. If the
41 Commission does not hear the issue within 30 days of receipt of the
42 report, the Department may take the action without consulting the
43 Commission.

44

1
2 **EXPAND LEA ACCESS TO EDUCATION VALUE ADDED ASSESSMENT**
3 **SYSTEM (EVAAS)**

4 **SECTION 6.(a)** The State Board of Education shall identify local school
5 administrative units to receive funds for purchasing licenses to EVAAS diagnostic
6 software based on criteria that shall include (i) identified need, (ii) readiness, and (iii)
7 county wealth, as defined in the Low-Wealth Supplemental Funding Formula. The
8 Board shall identify as many units as possible within funds available for this purpose.

9 **SECTION 6.(b)** Funds appropriated for EVAAS in the 2005-2006 fiscal
10 year shall not revert but shall be carried forward to the 2006-2007 fiscal year for
11 expenditures for training related to expanding local school administrative units' access
12 to the EVAAS tool. Any such funds not spent by June 30, 2007, shall revert to the
13 General Fund.

14 **SECTION 6.(c)** This section becomes effective June 30, 2006.

15
16 **USE OF FUNDS FOR THE COLLEGE INFORMATION SYSTEM PROJECT**

17 **SECTION 7.(a)** Funds appropriated to the Community Colleges System
18 Office for the College Information System Project shall not revert at the end of the
19 2005-2006 fiscal year but shall remain available until expended.

20 **SECTION 7.(b)** Notwithstanding G.S. 143-23, the Community Colleges
21 System Office may, subject to the approval of the Office of State Budget and
22 Management, in consultation with the Office of Information Technology Services, and
23 after consultation with the Joint Legislative Commission on Governmental Operations,
24 use funds appropriated in this act for the College Information System Project to create a
25 maximum of 20 positions or incur expenditures necessary to transfer the maintenance
26 and administration of the College Information System Project from the vendor to the
27 System Office.

28 **SECTION 7.(c)** The Community Colleges System Office shall report on a
29 quarterly basis to the Joint Legislative Education Oversight Committee on the
30 implementation of the College Information System Project.

31 **SECTION 7.(d)** Subsection (a) of this section becomes effective June 30,
32 2006.

33
34 **CARRYFORWARD FOR EQUIPMENT**

35 **SECTION 8.(a)** Subject to the approval of the Office of State Budget and
36 Management and cash availability, the North Carolina Community Colleges System
37 Office may carry forward an amount not to exceed ten million dollars (\$10,000,000) of
38 the operating funds that were not reverted in fiscal year 2005-2006 to be reallocated to
39 the State Board of Community Colleges' Equipment Reserve Fund. These funds shall be
40 distributed to colleges consistent with G.S. 115D-31.

41 **SECTION 8.(b)** This section becomes effective June 30, 2006.

42
43 **ADVANCED VEHICLE RESEARCH CENTER/FUNDS SHALL NOT REVERT**

1 **SECTION 9.(a)** Funds appropriated to the Advanced Vehicle Research
2 Center Reserve for the 2005-2006 fiscal year for the Advanced Vehicle Research Center
3 of North Carolina, Inc., that are unexpended and unencumbered as of June 30, 2006,
4 shall not revert to the General Fund on June 30, 2006, but shall remain available in the
5 Reserve.

6 **SECTION 9.(b)** This section becomes effective June 30, 2006.

7 8 **WANCHESE SEAFOOD INDUSTRIAL PARK/OREGON INLET FUNDS**

9 **SECTION 10.** Section 13.1 of S.L. 2005-276 reads as rewritten:

10 **"SECTION 13.1.(a)** Funds appropriated to the Department of Commerce for the
11 ~~2004-2005~~2005-2006 fiscal year for the Wanchese Seafood Industrial Park that are
12 unexpended and unencumbered as of ~~June 30, 2005~~,June 30, 2006, shall not revert to
13 the General Fund on ~~June 30, 2005~~,June 30, 2006, but shall remain available to the
14 Department to be expended by the Wanchese Seafood Industrial Park for operations,
15 maintenance, repair, and capital improvements in accordance with Article 23C of
16 Chapter 113 of the General Statutes.

17 **SECTION 13.1.(b)** Funds appropriated to the Department of Commerce for the
18 ~~2004-2005~~2005-2006 fiscal year for the Oregon Inlet Project that are unexpended and
19 unencumbered as of ~~June 30, 2005~~,June 30, 2006, shall not revert to the General Fund
20 on ~~June 30, 2005~~,June 30, 2006.

21 **SECTION 13.1.(c)** This section becomes effective ~~June 30, 2005~~,June 30, 2006."

22 23 **COLLECTION OF WORTHLESS CHECK FUNDS**

24 **SECTION 11.** Notwithstanding the provisions of G.S. 7A-308(c), the
25 Judicial Department may use any balance remaining in the Collection of Worthless
26 Checks Fund on June 30, 2006, for the purchase or repair of office or information
27 technology equipment during the 2006-2007 fiscal year. Prior to using any funds under
28 this section, the Judicial Department shall report to the Joint Legislative Commission on
29 Governmental Operations and the Chairs of the Senate and House of Representatives
30 Appropriations Subcommittees on Justice and Public Safety on the equipment to be
31 purchased or repaired and the reasons for the purchases.

32 33 **PAYMENT OF USUB PENALTIES TO CIVIL PENALTY AND FORFEITURE** 34 **FUND**

35 **SECTION 12.(a)** Notwithstanding G.S. 143-18, the Department of Revenue
36 shall be allowed to expend up to two million four hundred thirty-four thousand two
37 hundred seventy dollars and seventy-one cents (\$2,434,270.71) of unencumbered
38 maintenance appropriations as of June 30, 2006, for the purpose of paying the Civil
39 Penalty and Forfeiture Fund. The amount to be expended represents Unauthorized
40 Substance Tax penalty collections that were paid to local law enforcement agencies for
41 the period of July 1, 2005, through December 31, 2005. The source of the
42 unencumbered funds shall come entirely from the Department of Revenue. If
43 unencumbered funds are not sufficient on June 30, 2006, the Department shall use
44 anticipated unencumbered funds as of July 1, 2006.

1 **SECTION 12.(b)** Through the 2008-2009 fiscal year, the Department of
2 Revenue shall reduce succeeding distributions to a law enforcement agency under
3 G.S. 105-113.113 to offset the amount that was improperly distributed to that agency, as
4 described in subsection (a) of this section, and the Department shall deposit the funds
5 collected into a reserve account which shall revert at the end of each fiscal year.
6

7 **ONLINE DEALER REGISTRATION FUNDS**

8 **SECTION 13.(a)** Notwithstanding the provisions of Section 28.22(b) of S.L.
9 2005-276, for fiscal year 2006-2007, the Division of Motor Vehicles is prohibited from
10 spending any funds appropriated to it for Online Dealer Registration enhancements.

11 **SECTION 13.(b)** This section becomes effective June 30, 2006.
12

13 **EFFECTIVE DATE**

14 **SECTION 14.** Sections 5.1 and 5.2 of this act become effective July 1,
15 2006. Except for Sections 5.1 and 5.2, the remainder of this act becomes effective June
16 30, 2006, and expires July 14, 2006.