

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

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SENATE BILL 874

Short Title: Funds for Child-Caring Institutions. (Public)

Sponsors: Senators Purcell; Atwater and Dannelly.

Referred to: Appropriations/Base Budget.

March 23, 2005

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS FOR CHILD-CARING INSTITUTIONS.

The General Assembly of North Carolina enacts:

SECTION 1.(a) There is appropriated from the General Fund to the Department of Health and Human Services, Division of Social Services, the sum of ten million dollars (\$10,000,000) for the 2005-2006 fiscal year and the sum of ten million dollars (\$10,000,000) for the 2006-2007 fiscal year to be allocated to the State Fund for Foster Care Child Caring Institutions. These funds shall be used to provide the private child-caring institution reimbursement rate for the State-funded portion of the services to children not eligible for federal IV-E subsidies. Counties shall not reduce their contributions as a result of additional appropriations under this section. County contributions to the cost of care shall continue to be negotiated between the counties and the private child-caring institutions. County contributions shall not be used to reduce or offset State reimbursement for the costs of care in private child-caring institutions.

SECTION 1.(b) The sum of one million five hundred thousand dollars (\$1,500,000) for the 2005-2006 fiscal year and the sum of one million five hundred thousand dollars (\$1,500,000) for the 2006-2007 fiscal year shall be transferred from the TANF Block Grant to the Social Services Block Grant for the Division of Social Services and allocated for child-caring institutions in addition to the funds appropriated in subsection (a) of this section.

SECTION 1.(c) The Office of the Controller and the Department of Health and Human Services shall conduct a comprehensive review of the foster care and child-caring institutions rate structure and make recommendations regarding changes that may be implemented to simplify and streamline the foster care rate-setting process, including the development or refinement of a uniform agency cost-reporting format, the development of a single foster care rate, and integration of the child-caring rate-setting process with child mental health services.

SECTION 2. This act becomes effective July 1, 2005.