



STATE OF NORTH CAROLINA
OFFICE OF STATE BUDGET AND MANAGEMENT

BEVERLY EAVES PERDUE
GOVERNOR

ANDY WILLIS
STATE BUDGET DIRECTOR

April 9, 2012

The Honorable Phil Berger, President Pro Tempore
NC Senate
16 West Jones Street, Room 2008
Raleigh, NC 27601-2808

The Honorable Thom Tillis, Speaker
NC House of Representatives
16 West Jones Street, Room 2304
Raleigh, NC 27601-1096

Co-Chairs, Joint Legislative Commission on Governmental Operations

Dear President Pro-Tempore Berger and Speaker Tillis:

Pursuant to Section 10.60(e) of Session Law 2011-145, all changes to the budgeted allocations to the Block Grants administered by the Department of Health and Human Services must be approved by the Office of State Budget and Management (OSBM) and OSBM shall consult with the Joint Legislative Commission on Governmental Operations prior to implementing the changes. In accordance with the law, OSBM is notifying the Commission that the Division of Child Development and Early Education (DCDEE) has identified a need to realign funds from the subsidized child care services allocation in order to make a final payment for a prior year contract that was approved as part of Session Law 2010-31.

Section 10.37.(a) of Session Law 2010-31 directed the use of \$547,600 of the Child Care and Development Fund (CCDF) Block Grant to support a services support contract. The contract was effective for State fiscal year 2010-11 but the final payment for that contract was not paid until State fiscal year 2011-12. A realignment of funds is needed to ensure that the final payment is properly budgeted and paid for with federal dollars.

OSBM approves of this realignment of funds within the CCDF Block Grant and intends to implement this change after fulfilling the consultation requirement. If further information is needed, please contact Pam Kilpatrick, Assistant State Budget Officer for Health and Human Services, by telephone at 807-4722 or by email at pam.kilpatrick@osbm.nc.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Andy Willis", with a long, sweeping horizontal line extending to the right.

Andy Willis

cc: Representative Marilyn Avila., Chair, House of Representatives Appropriations Subcommittee on Health and Human Services
Representative Justin Burr, Chair, House of Representatives Appropriations Subcommittee on Health and Human Services
Senator Stan Bingham, Chair, Senate Appropriations Committee on Health and Human Services
Senator Harris Blake, Chair, Senate Appropriations Committee on Health and Human Services
Senator Louis Pate, Chair, Senate Appropriations Committee on Health and Human Services
Pam Kilpatrick, Assistant State Budget Officer, Office of State Budget and Management
Mark Trogon, Director, Fiscal Research Division