

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011**

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**SENATE BILL 866*
PROPOSED COMMITTEE SUBSTITUTE S866-PCS15257-MD-33**

Short Title: Essential Adjustments to 2011 Budget.

(Public)

Sponsors:

Referred to:

May 23, 2012

1 A BILL TO BE ENTITLED
2 AN ACT TO MAKE ESSENTIAL ADJUSTMENTS TO THE CURRENT OPERATIONS
3 AND CAPITAL IMPROVEMENTS APPROPRIATIONS ACT OF 2011.

4 The General Assembly of North Carolina enacts:

5
6 **NO TRANSFERS OF FUNDS TO THE REPAIRS AND RENOVATIONS RESERVE
7 ACCOUNT**

8 **SECTION 1.(a)** Notwithstanding G.S. 143C-4-3, funds shall not be reserved to the
9 Repairs and Renovations Reserve Account, and the State Controller shall not transfer funds
10 from the unreserved credit balance to that account on June 30, 2012.

11 **SECTION 1.(b)** This section becomes effective June 30, 2012.

12
13 **APPROPRIATION OF DHHS FEDERAL BLOCK GRANT FUNDS**

14 **SECTION 2.(a)** Appropriations from federal block grant funds are made for the
15 fiscal year ending June 30, 2013, according to the following schedule:

16
17 **TEMPORARY ASSISTANCE TO NEEDY FAMILIES
18 (TANF) FUNDS**

19
20 Local Program Expenditures

21
22 Division of Social Services

23		
24	01. Work First Family Assistance	\$ 60,285,413
25		
26	02. Work First County Block Grants	83,386,330
27		
28	03. Work First Electing Counties	2,378,213
29		
30	04. Adoption Services – Special Children's Adoption Fund	2,026,877
31		
32	05. Child Protective Services – Child Welfare	
33	Workers for Local DSS	14,452,391
34		



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1	06. Child Welfare Collaborative	754,115
2		
3	Division of Child Development	
4		
5	07. Subsidized Child Care Program	59,645,662
6		
7	08. Swap Child Care Subsidy	6,352,644
8		
9	Division of Public Health	
10		
11	09. Teen Pregnancy Initiatives	2,500,000
12		
13	DHHS Administration	
14		
15	10. Division of Social Services	2,482,260
16		
17	11. Office of the Secretary	34,042
18		
19	Transfers to Other Block Grants	
20		
21	Division of Child Development	
22		
23	12. Transfer to the Child Care and Development Fund	71,773,001
24		
25	13. Transfer to Social Services Block Grant for Child	
26	Protective Services – Child Welfare Training in	
27	Counties	1,300,000
28		
29	14. Transfer to Social Services Block Grant for Child	
30	Protective Services	5,040,000
31		
32	15. Transfer to Social Services Block Grant for County	
33	Departments of Social Services for Children's Services	4,148,001
34		
35	TOTAL TEMPORARY ASSISTANCE TO NEEDY FAMILIES	
36	(TANF) FUNDS	\$ 316,558,949
37		
38	TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF)	
39	EMERGENCY CONTINGENCY FUNDS	
40		
41	Local Program Expenditures	
42		
43	Division of Social Services	
44		
45	01. Work First County Block Grants	\$ 11,066,985
46		
47	TOTAL TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF)	
48	EMERGENCY CONTINGENCY FUNDS	\$ 11,066,985
49		
50	SOCIAL SERVICES BLOCK GRANT	
51		

1	Local Program Expenditures	
2		
3	Divisions of Social Services and Aging and Adult Services	
4		
5	01. County Departments of Social Services	
6	(Transfer from TANF \$4,148,001)	\$ 30,452,068
7		
8	02. Child Protective Services (Transfer from TANF)	5,040,000
9		
10	03. State In-Home Services Fund	2,101,113
11		
12	04. Adult Protective Services	1,346,047
13		
14	05. State Adult Day Care Fund	2,155,301
15		
16	06. Child Protective Services/CPS Investigative Services-	
17	Child Medical Evaluation Program (Carousel Center for	
18	Abused Children \$134,592)	744,047
19		
20	07. Special Children Adoption Incentive Fund	500,000
21		
22	08. Child Protective Services-Child Welfare Training	
23	for Counties (Transfer from TANF)	1,300,000
24		
25	09. Home and Community Care Block Grant (HCCBG)	1,834,077
26		
27	10. Maternity Homes	925,085
28		
29	11. Child Advocacy Centers	375,000
30		
31	12. Work First – Boys and Girls Clubs	2,452,500
32		
33	13. Food Banks	1,000,000
34		
35	14. Child Care Subsidy	2,598,319
36		
37	15. Guardianship	4,356,604
38		
39	16. UNC Cares Contract	247,920
40		
41	16A. Foster Care Services	1,497,138
42		
43	Division of Public Health	
44		
45	16B. Tobacco Cessation	2,728,000
46		
47	18. Prevent Blindness	150,000
48		
49	Division of Vocational Rehabilitation	
50		
51	19. Vocational Rehabilitation Services – Easter Seal Society/UCP	

1	Community Health Program	188,263
2		
3	Division of Central Management and Support	
4		
5	19A. ALS Association Jim "Catfish" Hunter Chapter	400,000
6		
7	DHHS Program Expenditures	
8		
9	Division of Services for the Blind	
10		
11	20. Independent Living Program	3,633,077
12		
13	21. Accessible Electronic Information for Blind and Disabled Persons	75,000
14		
15	Division of Health Service Regulation	
16		
17	22. Adult Care Licensure Program	411,897
18		
19	23. Mental Health Licensure and Certification Program	205,668
20		
21	DHHS Administration	
22		
23	24. Division of Aging and Adult Services	624,454
24		
25	25. Division of Social Services	604,311
26		
27	26. Office of the Secretary/Controller's Office	138,058
28		
29	27. Division of Child Development	15,000
30		
31	28. Division of Mental Health, Developmental	
32	Disabilities, and Substance Abuse Services	29,665
33		
34	29. Division of Health Service Regulation	128,562
35		
36	TOTAL SOCIAL SERVICES BLOCK GRANT	\$ 68,257,174
37		
38	LOW-INCOME HOME ENERGY ASSISTANCE BLOCK GRANT	
39		
40	Local Program Expenditures	
41		
42	Division of Social Services	
43		
44	01. Low-Income Energy Assistance Program (LIEAP)	\$ 14,688,575
45		
46	02. Crisis Intervention Program (CIP)	33,255,130
47		
48	Local Administration	
49		
50	Division of Social Services	
51		

1	03.	County DSS Administration	4,444,717
2			
3		DHHS Administration	
4			
5	04.	Office of the Secretary/DIRM	219,490
6			
7	05.	Office of the Secretary/Controller's Office	9,779
8			
9		Transfers to Other State Agencies	
10			
11		Department of Commerce	
12			
13	06.	Weatherization Program	8,464,517
14			
15	07.	Heating Air Repair and Replacement	
16		Program (HARRP)	4,073,690
17			
18	08.	Local Residential Energy Efficiency Service	
19		Providers – Weatherization	19,825
20			
21	09.	Local Residential Energy Efficiency Service	
22		Providers – HARRP	180,041
23			
24	10.	Department of Commerce Administration –	
25		Weatherization	19,825
26			
27	11.	Department of Commerce Administration –	
28		HARRP	180,041
29			
30		Department of Administration	
31			
32	12.	N.C. Commission on Indian Affairs	87,736
33			
34		TOTAL LOW-INCOME HOME ENERGY ASSISTANCE	
35		BLOCK GRANT	\$ 65,643,366
36			
37		CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT	
38			
39		Local Program Expenditures	
40			
41		Division of Child Development	
42			
43	01.	Child Care Services	
44		(Smart Start \$7,000,000)	\$ 154,695,081
45			
46	02.	Electronic Tracking System	3,000,000
47			
48	03.	Transfer from TANF Block Grant	
49		for Child Care Subsidies	71,773,001
50			
51	04.	Quality and Availability Initiatives	

1	(TEACH Program \$3,800,000)	26,484,816
2		
3	DHHS Administration	
4		
5	Division of Child Development	
6		
7	05. DCDEE Administrative Expenses	6,000,000
8		
9	06. Local Subsidized Child Care Services Support	
10	(4% Administrative Allowance)	15,898,602
11		
12	Division of Central Administration	
13		
14	07. DHHS Central Administration – DIRM	
15	Technical Services	775,000
16		
17	TOTAL CHILD CARE AND DEVELOPMENT FUND	
18	BLOCK GRANT	\$ 278,626,500
19		
20	MENTAL HEALTH SERVICES BLOCK GRANT	
21		
22	Local Program Expenditures	
23		
24	01. Mental Health Services – Adult	\$ 8,870,595
25		
26	02. Mental Health Services – Child	5,121,991
27		
28	03. Administration	100,000
29		
30	TOTAL MENTAL HEALTH SERVICES BLOCK GRANT	\$ 14,092,586
31		
32	SUBSTANCE ABUSE PREVENTION AND TREATMENT BLOCK GRANT	
33		
34	Local Program Expenditures	
35		
36	Division of Mental Health, Developmental Disabilities, and Substance Abuse Services	
37		
38	01. Substance Abuse Services – Adult	\$ 15,328,802
39		
40	02. Substance Abuse Treatment Alternative for Women	6,050,300
41		
42	03. Substance Abuse – HIV and IV Drug	3,919,723
43		
44	04. Substance Abuse Prevention – Child	7,186,857
45		
46	05. Substance Abuse Services – Child	4,940,500
47		
48	06. Administration	454,000
49		
50	Division of Public Health	
51		

1	07. Risk Reduction Projects	575,654
2		
3	08. Aid-to-Counties	190,295
4		
5	TOTAL SUBSTANCE ABUSE PREVENTION	
6	AND TREATMENT BLOCK GRANT	\$ 38,646,131
7		
8	MATERNAL AND CHILD HEALTH BLOCK GRANT	
9		
10	Local Program Expenditures	
11		
12	Division of Public Health	
13		
14	01. Children's Health Services	\$ 8,569,465
15		
16	02. Women's Health	
17	(March of Dimes \$350,000; Teen Pregnancy	
18	Prevention Initiatives \$650,000; Perinatal	
19	Quality Collaborative \$250,000; 17P Project \$47,000)	8,404,244
20		
21	03. Oral Health	42,268
22		
23	DHHS Program Expenditures	
24		
25	Division of Public Health	
26		
27	04. Children's Health Services	1,250,000
28		
29	05. Women's Health	136,628
30		
31	06. State Center for Health Statistics	164,318
32		
33	07. Quality Improvement in Public Health	2,774
34		
35	08. Health Promotion	89,374
36		
37	DHHS Administration	
38		
39	Division of Public Health	
40		
41	09. Division of Public Health Administration	600,000
42		
43	TOTAL MATERNAL AND CHILD	
44	HEALTH BLOCK GRANT	\$ 19,259,071
45		
46	PREVENTIVE HEALTH SERVICES BLOCK GRANT	
47		
48	Local Program Expenditures	
49		
50	Division of Public Health	
51		

1	01. HIV/STD Prevention and Community Planning	180,470
2		
3	DHHS Program Expenditures	
4		
5	Division of Public Health	
6		
7	02. State Center for Health Statistics	160,000
8		
9	TOTAL PREVENTIVE HEALTH SERVICES BLOCK GRANT	\$ 340,470
10		
11	COMMUNITY SERVICES BLOCK GRANT	
12		
13	Local Program Expenditures	
14		
15	Office of Economic Opportunity	
16		
17	01. Community Action Agencies	\$ 18,075,488
18		
19	02. Limited Purpose Agencies	1,004,194
20		
21	DHHS Administration	
22		
23	03. Office of Economic Opportunity	1,004,194
24		
25	TOTAL COMMUNITY SERVICES BLOCK GRANT	\$ 20,083,876
26		

GENERAL PROVISIONS

28 **SECTION 2.(b)** Information to Be Included in Block Grant Plans. – The
 29 Department of Health and Human Services shall submit a separate plan for each Block Grant
 30 received and administered by the Department, and each plan shall include the following:

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

42 **SECTION 2.(c)** Changes in Federal Fund Availability. – If the Congress of the
 43 United States increases the federal fund availability for any of the Block Grants or contingency
 44 funds and other grants related to existing Block Grants administered by the Department of
 45 Health and Human Services from the amounts appropriated in this section, the Department
 46 shall allocate the increase proportionally across the program and activity appropriations
 47 identified for that Block Grant in this section. In allocating an increase in federal fund
 48 availability, the Office of State Budget and Management shall not approve funding for new
 49 programs or activities not appropriated in this section.

50 If the Congress of the United States decreases the federal fund availability for any of
 51 the Block Grants or contingency funds and other grants related to existing Block Grants

1 administered by the Department of Health and Human Services from the amounts appropriated
2 in this section, the Department shall develop a plan to adjust the block grants based on reduced
3 federal funding.

4 Notwithstanding the provisions of this subsection, for the 2012-2013 fiscal year,
5 increases in the federal fund availability for the Temporary Assistance to Needy Families
6 (TANF) Block Grant shall be used for the North Carolina Child Care Subsidy program to pay
7 for child care in four- or five-star rated facilities for four-year-old children.

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

14 **SECTION 2.(d)** Appropriations from federal Block Grant funds are made for the
15 fiscal year ending June 30, 2013, according to the schedule enacted for State fiscal year
16 2012-2013 or until a new schedule is enacted by the General Assembly.

17 **SECTION 2.(e)** All changes to the budgeted allocations to the Block Grants or
18 contingency funds and other grants related to existing Block Grants administered by the
19 Department of Health and Human Services that are not specifically addressed in this section
20 shall be approved by the Office of State Budget and Management, and the Office of State
21 Budget and Management shall consult with the Joint Legislative Commission on Governmental
22 Operations for review prior to implementing the changes. The report shall include an itemized
23 listing of affected programs, including associated changes in budgeted allocations. All changes
24 to the budgeted allocations to the Block Grants shall be reported immediately to the House of
25 Representatives Appropriations Subcommittee on Health and Human Services, the Senate
26 Appropriations Committee on Health and Human Services, and the Fiscal Research Division.
27 This subsection does not apply to Block Grant changes caused by legislative salary increases
28 and benefit adjustments.

29 **SECTION 2.(f)** If the Preventive Health Services Block Grant is funded at the
30 federal level and the State receives a block grant for Preventive Health Services, the 2011-2012
31 allocation plan shall remain in effect for the 2012-2013 fiscal year.

32 **TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) FUNDS**

33 **SECTION 2.(g)** The sum of eighty-three million three hundred eighty-six thousand
34 three hundred thirty dollars (\$83,386,330) appropriated in this section in TANF funds to the
35 Department of Health and Human Services, Division of Social Services, for the 2012-2013
36 fiscal year shall be used for Work First County Block Grants. The Division shall certify these
37 funds in the appropriate State-level services based on prior year actual expenditures. The
38 Division has the authority to realign the authorized budget for these funds among the
39 State-level services based on current year actual expenditures.

40 **SECTION 2.(h)** The sum of two million four hundred eighty-two thousand two
41 hundred sixty dollars (\$2,482,260) appropriated in this section in TANF funds to the
42 Department of Health and Human Services, Division of Social Services, for the 2012-2013
43 fiscal year shall be used to support administration of TANF-funded programs.

44 **SECTION 2.(i)** The sum of fourteen million four hundred fifty-two thousand three
45 hundred ninety-one dollars (\$14,452,391) appropriated in this section to the Department of
46 Health and Human Services, Division of Social Services, in TANF funds for the 2012-2013
47 fiscal year for child welfare improvements shall be allocated to the county departments of
48 social services for hiring or contracting staff to investigate and provide services in Child
49 Protective Services cases; to provide foster care and support services; to recruit, train, license,
50

1 and support prospective foster and adoptive families; and to provide interstate and
2 post-adoption services for eligible families.

3 Counties shall maintain their level of expenditures in local funds for Child
4 Protective Services' workers. Of the block grant funds appropriated for Child Protective
5 Services' workers, the total expenditures from State and local funds for the 2012-2013 fiscal
6 year shall not be less than the total expended from State and local funds for the 2011-2012
7 fiscal year.

8 **SECTION 2.(j)** The sum of two million twenty-six thousand eight hundred
9 seventy-seven dollars (\$2,026,877) appropriated in this section in TANF funds to the
10 Department of Health and Human Services, Special Children Adoption Fund, for the
11 2012-2013 fiscal year shall be used in accordance with G.S. 108A-50.2, as enacted in Section
12 10.48 of S.L. 2009-451. The Division of Social Services, in consultation with the North
13 Carolina Association of County Directors of Social Services and representatives of licensed
14 private adoption agencies, shall develop guidelines for the awarding of funds to licensed public
15 and private adoption agencies upon the adoption of children described in G.S. 108A-50 and in
16 foster care. Payments received from the Special Children Adoption Fund by participating
17 agencies shall be used exclusively to enhance the adoption services program. No local match
18 shall be required as a condition for receipt of these funds.

19 **SECTION 2.(k)** The sum of seven hundred fifty-four thousand one hundred fifteen
20 dollars (\$754,115) appropriated in this section to the Department of Health and Human
21 Services in TANF funds for the 2012-2013 fiscal year shall be used to continue support for the
22 Child Welfare Collaborative.

23 24 **SOCIAL SERVICES BLOCK GRANT**

25 **SECTION 2.(l)** The sum of thirty million four hundred fifty-two thousand
26 sixty-eight dollars (\$30,452,068) appropriated in this section in the Social Services Block Grant
27 to the Department of Health and Human Services, Division of Social Services, for the
28 2012-2013 fiscal year shall be used for County Block Grants. The Division shall certify these
29 funds in the appropriate State-level services based on prior year actual expenditures. The
30 Division has the authority to realign the authorized budget for these funds among the
31 State-level services based on current year actual expenditures.

32 **SECTION 2.(m)** The sum of one million three hundred thousand dollars
33 (\$1,300,000) appropriated in this section in the Social Services Block Grant to the Department
34 of Health and Human Services, Division of Social Services, for the 2012-2013 fiscal year shall
35 be used to support various child welfare training projects as follows:

- 36 (1) Provide a regional training center in southeastern North Carolina.
- 37 (2) Provide training for residential child caring facilities.
- 38 (3) Provide for various other child welfare training initiatives.

39 **SECTION 2.(n)** The Department of Health and Human Services is authorized,
40 subject to the approval of the Office of State Budget and Management, to transfer Social
41 Services Block Grant funding allocated for departmental administration between divisions that
42 have received administrative allocations from the Social Services Block Grant.

43 **SECTION 2.(o)** Social Services Block Grant funds appropriated for the Special
44 Children's Adoption Incentive Fund will require a fifty percent (50%) local match.

45 **SECTION 2.(p)** The sum of five million forty thousand dollars (\$5,040,000)
46 appropriated in this section in the Social Services Block Grant for the 2012-2013 fiscal year
47 shall be allocated to the Department of Health and Human Services, Division of Social
48 Services. The Division shall allocate these funds to local departments of social services to
49 replace the loss of Child Protective Services State funds that are currently used by county
50 government to pay for Child Protective Services staff at the local level. These funds shall be
51 used to maintain the number of Child Protective Services workers throughout the State. These

1 Social Services Block Grant funds shall be used to pay for salaries and related expenses only
2 and are exempt from 10A NCAC 71R .0201(3) requiring a local match of twenty-five percent
3 (25%).

4 **SECTION 2.(q)** The sum of two million four hundred fifty-two thousand five
5 hundred dollars (\$2,452,500) appropriated in this section to the Department of Health and
6 Human Services, Division of Social Services, in the Social Services Block Grant for Boys and
7 Girls Clubs for the 2012-2013 fiscal year shall be used to make grants for approved programs.
8 The Department of Health and Human Services, in accordance with federal regulations for the
9 use of Social Services Block Grant funds, shall administer a grant program to award funds to
10 the Boys and Girls Clubs across the State in order to implement programs that improve the
11 motivation, performance, and self-esteem of youths and to implement other initiatives that
12 would be expected to reduce gang participation, school dropout, and teen pregnancy rates. The
13 Department shall facilitate collaboration between the Boys and Girls Clubs and Support Our
14 Students, Communities in Schools, and similar programs and encourage them to submit joint
15 applications for the funds if appropriate. These funds are exempt from the provisions of 10A
16 NCAC 71R .0201(3).

17 **SECTION 2.(r)** The sum of nine hundred twenty-five thousand eighty-five dollars
18 (\$925,085) appropriated in this section in the Social Services Block Grant for the 2012-2013
19 fiscal year to the Department of Health and Human Services, Division of Social Services, shall
20 be used for maternity homes. These funds are exempt from the provisions of 10A NCAC 71R
21 .0201(3).

22 **SECTION 2.(r1)** The sum of two million seven hundred twenty-eight thousand
23 dollars (\$2,728,000) appropriated in this section in the Social Services Block Grant for the
24 2012-2013 fiscal year to the Department of Health and Human Services, Division of Social
25 Services, shall be used for tobacco cessation. These funds are exempt from the provisions of
26 10A NCAC 71R .0201(3).

27 **SECTION 2.(s)** The sum of one hundred fifty thousand dollars (\$150,000)
28 appropriated in this section in the Social Services Block Grant for the 2012-2013 fiscal year to
29 the Department of Health and Human Services, Division of Public Health, shall be allocated to
30 Prevent Blindness North Carolina to be used for direct service programs. These funds are
31 exempt from the provisions of 10A NCAC 71R .0201(3).

32 **SECTION 2.(s1)** The sum of four hundred thousand dollars (\$400,000)
33 appropriated in this section in the Social Services Block Grant for the 2012-2013 fiscal year to
34 the Department of Health and Human Services, Division of Central Management and Support,
35 shall be allocated to the ALS Association, Jim "Catfish" Hunter Chapter, to be used to provide
36 patient care and community services to persons with ALS and their families. These funds are
37 exempt from the provisions of 10A NCAC 71R .0201(3).

38 **SECTION 2.(t)** The sum of seventy-five thousand dollars (\$75,000) appropriated
39 in this section in the Social Services Block Grant for the 2012-2013 fiscal year to the
40 Department of Health and Human Services, Division of Services for the Blind, shall be used to
41 provide accessible electronic information for blind and disabled persons. These funds are
42 exempt from the provisions of 10A NCAC 71R .0201(3).

43 **SECTION 2.(u)** The sum of three hundred seventy-five thousand dollars
44 (\$375,000) appropriated in this section in the Social Services Block Grant for the 2012-2013
45 fiscal year to the Department of Health and Human Services, Division of Social Services, shall
46 be used to continue support for the Child Advocacy Centers and are exempt from the
47 provisions of 10A NCAC 71R .0201(3).

48 **SECTION 2.(v)** Social Services Block Grant funds allocated for the 2012-2013
49 fiscal year for child medical evaluations and the Carousel Center for Abused Children are
50 exempt from the provisions of 10A NCAC 71R .0201(3).

1 **SECTION 2.(w)** The sum of one million dollars (\$1,000,000) appropriated in this
2 section in the Social Services Block Grant for the 2012-2013 fiscal year to the Department of
3 Health and Human Services, Division of Social Services, shall be allocated to North Carolina
4 Food Bank agencies to be used to purchase and distribute food staples for emergency food
5 assistance. These funds are exempt from the provisions of 10A NCAC 71R .0201(3).

6 **SECTION 2.(w1)** The sum of four million three hundred fifty-six thousand six
7 hundred four dollars (\$4,356,604) appropriated in this section in the Social Services Block
8 Grant for the 2012-2013 fiscal year to the Department of Health and Human Services,
9 Divisions of Social Services and Aging and Adult Services, shall be used for guardianship
10 services pursuant to Chapter 35A of the General Statutes. The Department may expend funds
11 appropriated in this section to support (i) existing corporate guardianship contracts during the
12 2012-2013 fiscal year and (ii) guardianship contracts transferred to the State from local
13 management entities or managed care organizations during the 2012-2013 fiscal year.
14

15 **LOW-INCOME HOME ENERGY ASSISTANCE BLOCK GRANT**

16 **SECTION 2.(x)** Additional emergency contingency funds received may be
17 allocated for Energy Assistance Payments or Crisis Intervention Payments without prior
18 consultation with the Joint Legislative Commission on Governmental Operations. Additional
19 funds received shall be reported to the Joint Legislative Commission on Governmental
20 Operations and the Fiscal Research Division upon notification of the award. The Department of
21 Health and Human Services shall not allocate funds for any activities, including increasing
22 administration, other than assistance payments, without prior consultation with the Joint
23 Legislative Commission on Governmental Operations.

24 **SECTION 2.(y)** The sum of fourteen million six hundred eighty-eight thousand
25 five hundred seventy-five dollars (\$14,688,575) appropriated in this section in the Low-Income
26 Home Energy Assistance Block Grant for the 2012-2013 fiscal year to the Department of
27 Health and Human Services, Division of Social Services, shall be used for energy assistance
28 payments for the households of (i) elderly persons age 60 and above with income up to one
29 hundred thirty percent (130%) of the federal poverty level and (ii) disabled persons eligible for
30 services funded through the Division of Aging and Adult Services. County departments of
31 social services shall submit to the Division of Social Services an outreach plan for targeting
32 households with 60-year-old household members no later than August 1 of each year.
33

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

35 **SECTION 2.(z)** Payment for subsidized child care services provided with federal
36 TANF funds shall comply with all regulations and policies issued by the Division of Child
37 Development for the subsidized child care program.

38 **SECTION 2.(aa)** If funds appropriated through the Child Care and Development
39 Fund Block Grant for any program cannot be obligated or spent in that program within the
40 obligation or liquidation periods allowed by the federal grants, the Department may move funds
41 to child care subsidies, unless otherwise prohibited by federal requirements of the grant, in
42 order to use the federal funds fully.
43

44 **MATERNAL AND CHILD HEALTH BLOCK GRANT**

45 **SECTION 2.(bb)** If federal funds are received under the Maternal and Child
46 Health Block Grant for abstinence education, pursuant to section 912 of Public Law 104-193
47 (42 U.S.C. § 710), for the 2012-2013 fiscal year, then those funds shall be transferred to the
48 State Board of Education to be administered by the Department of Public Instruction. The
49 Department of Public Instruction shall use the funds to establish an abstinence until marriage
50 education program and shall delegate to one or more persons the responsibility of
51 implementing the program and G.S. 115C-81(e1)(4) and (4a). The Department of Public

1 Instruction shall carefully and strictly follow federal guidelines in implementing and
2 administering the abstinence education grant funds.

3 **SECTION 2.(cc)** The Department of Health and Human Services shall ensure that
4 there will be follow-up testing in the Newborn Screening Program.

5
6 **APPROPRIATION OF NER BLOCK GRANTS**

7 **SECTION 3.** Section 14.1 of S.L. 2011-145 reads as rewritten:

8 "**SECTION 14.1.(a)** Appropriations from federal block grant funds are made for the fiscal
9 year ending ~~June 30, 2012~~, June 30, 2013, according to the following schedule:

10
11 **COMMUNITY DEVELOPMENT BLOCK GRANT**

12	01. State Administration	\$ 1,000,000
13	14	
14	02. State Technical Assistance	450,000
15	16	
16	03. Scattered Site Housing	8,000,000 <u>7,200,000</u>
17	18	
18	04. Economic Development	7,210,000 <u>7,000,000</u>
19	20	
20	05. Small Business/Entrepreneurship	3,000,000 <u>2,500,000</u>
21	22	
22	06. NC Catalyst	5,000,000 <u>4,500,000</u>
23	24	
24	07. Infrastructure	19,740,000 <u>20,300,000</u>
25	26	
26	08. Capacity Building	600,000
27	28	

29 **TOTAL COMMUNITY DEVELOPMENT**

30 **BLOCK GRANT – 2012**2013 Program Year \$ ~~45,000,000~~ \$42,500,000

31 "**SECTION 14.1.(b)** Decreases in Federal Fund Availability. – If federal funds are reduced
32 below the amounts specified above after the effective date of this act, then every program in
33 each of these federal block grants shall be reduced by the same percentage as the reduction in
34 federal funds.

35 "**SECTION 14.1.(c)** Increases in Federal Fund Availability for Community Development
36 Block Grant. – Any block grant funds appropriated by the Congress of the United States in
37 addition to the funds specified in this section shall be expended as follows: each program
38 category under the Community Development Block Grant shall be increased by the same
39 percentage as the increase in federal funds.

40 "**SECTION 14.1.(d)** Limitations on Community Development Block Grant Funds. – Of
41 the funds appropriated in this section for the Community Development Block Grant, the
42 following shall be allocated in each category for each program year: up to one million dollars
43 (\$1,000,000) may be used for State Administration; ~~up to four hundred fifty thousand dollars~~
44 ~~(\$450,000) may be used for State Technical Assistance;~~ up to ~~eight million dollars~~
45 ~~(\$8,000,000)~~seven million two hundred thousand dollars (\$7,200,000) may be used for
46 Scattered Site Housing; up to ~~seven million two hundred ten thousand dollars~~
47 ~~(\$7,210,000)~~seven million dollars (\$7,000,000) may be used for Economic Development; up to
48 ~~three million dollars (\$3,000,000)~~two million five hundred thousand dollars (\$2,500,000) may
49 be used for Small Business/Entrepreneurship; up to ~~five million dollars (\$5,000,000)~~
50 four million five hundred thousand dollars (\$4,500,000) shall be used for NC Catalyst; up to
51 ~~nineteen million seven hundred forty thousand dollars (\$19,740,000)~~twenty million three

1 ~~hundred thousand dollars (\$20,300,000) may be used for Infrastructure; up to six hundred~~
2 ~~thousand dollars (\$600,000) may be used for Capacity Building-Infrastructure.~~ If federal block
3 grant funds are reduced or increased by the Congress of the United States after the effective
4 date of this act, then these reductions or increases shall be allocated in accordance with
5 subsection (b) or (c) of this section, as applicable.

6 "SECTION 14.1.(e) The Department of Commerce shall consult with the Joint Legislative
7 Commission on Governmental Operations prior to reallocating Community Development
8 Block Grant Funds. Notwithstanding the provisions of this subsection, whenever the Director
9 of the Budget finds that:

- 10 (1) A reallocation is required because of an emergency that poses an imminent
11 threat to public health or public safety, the Director of the Budget may
12 authorize the reallocation without consulting the Commission. The
13 Department of Commerce shall report to the Commission on the reallocation
14 no later than 30 days after it was authorized and shall identify in the report
15 the emergency, the type of action taken, and how it was related to the
16 emergency.
- 17 (2) The State will lose federal block grant funds or receive less federal block
18 grant funds in the next fiscal year unless a reallocation is made, the
19 Department of Commerce shall provide a written report to the Commission
20 on the proposed reallocation and shall identify the reason that failure to take
21 action will result in the loss of federal funds. If the Commission does not
22 hear the issue within 30 days of receipt of the report, the Department may
23 take the action without consulting the Commission.

24 "SECTION 14.1.(f) By ~~September 1, 2011,~~ September 1, 2012, the Division of
25 Community Assistance, Department of Commerce, shall report to the Joint Legislative
26 Commission on Governmental Operations and the Fiscal Research Division on the use of
27 Community Development Block Grant Funds appropriated in the prior fiscal year. The report
28 shall include the following:

- 29 (1) A discussion of each of the categories of funding and how the categories
30 were selected, including information on how a determination was made that
31 there was a statewide need in each of the categories.
- 32 (2) Information on the number of applications that were received in each
33 category and the total dollar amount requested in each category.
- 34 (3) A list of grantees, including the grantee's name, county, category under
35 which the grant was funded, the amount awarded, and a narrative description
36 of the project.

37 "SECTION 14.1.(g) For purposes of this section, eligible activities under the category of
38 Infrastructure in subsection (a) of this section are limited to the installation of public water or
39 sewer lines and improvements to water or sewer treatment plants that have specific problems
40 such as being under moratoriums or special orders of consent. Notwithstanding the provisions
41 of subsection (e) of this section, funds allocated to the Infrastructure category in subsection (a)
42 of this section shall not be reallocated to any other category."
43

44 EDUCATION LOTTERY

45 SECTION 4.(a) Notwithstanding G.S. 18C-164, the revenue used to support
46 appropriations made in this act is transferred from the State Lottery Fund in the amount of four
47 hundred forty-one million three hundred fifty-nine thousand four hundred one dollars
48 (\$441,359,401) for the 2012-2013 fiscal year.

49 SECTION 4.(b) Notwithstanding G.S. 18C-164, the North Carolina State Lottery
50 Commission shall not transfer funds to the Education Lottery Reserve Fund for the 2012-2013
51 fiscal year.

1 **SECTION 4.(c)** Section 5.4(f) of S.L. 2011-145 is repealed.

2 **SECTION 4.(d)** Notwithstanding G.S. 18C-164(f) or any other provision of law,
3 excess lottery receipts realized in the 2011-2012 fiscal year in the amount of twenty-five
4 million five hundred eighty-eight thousand three hundred seventy dollars (\$25,588,370) shall
5 be allocated for UNC Need-Based Financial Aid.

6 **SECTION 4.(g)** Notwithstanding G.S. 18C-164, the appropriations made from the
7 Education Lottery Fund for the 2012-2013 fiscal year are as follows:

8	Teachers in Early Grades	\$ 220,643,188
9	Prekindergarten Program	\$ 63,135,709
10	Public School Building Capital Fund	\$ 100,000,000
11	Scholarships for Needy Students	\$ 30,450,000
12	UNC Need-Based Financial Aid	\$ 10,744,733
13	LEA Adjustment	\$ 16,385,771
14	Total Appropriation	\$ 441,359,401

15 **SECTION 4.(h)** Notwithstanding G.S. 18C-164(c), G.S. 115C-546.2(d), or any
16 other provision of law, funds appropriated in this section to the Public School Building Capital
17 Fund for the 2012-2013 fiscal year shall be allocated to counties on the basis of average daily
18 membership (ADM).

19 **SECTION 4.(i)** Notwithstanding G.S. 18C-164(c), Article 35A of Chapter 115C of
20 the General Statutes, or any other provision of law, the funds appropriated in this section for
21 UNC Need-Based Financial Aid shall be administered in accordance with the policy adopted
22 by the Board of Governors of The University of North Carolina.

23 24 **APPROPRIATION OF NATIONAL MORTGAGE SETTLEMENT FUNDS**

25 **SECTION 5.(a)** The Consent Judgment in *U.S. v. Bank of America*, Civil Action
26 No. 12-CV-0361, dated April 4, 2012, provides for monetary payments to the State and,
27 therefore, the General Assembly authorizes the expenditure of these State revenues as set forth
28 in subsection (b) of this section.

29 **SECTION 5.(b)** Settlement funds received by the State pursuant to the Consent
30 Judgment in *U.S. v. Bank of America*, Civil Action No. 12-CV-0361, dated April 4, 2012, shall
31 be deposited and credited in accordance with the North Carolina Constitution and Chapter
32 143C of the General Statutes and are appropriated for the 2012-2013 fiscal year as follows:

- 33 (1) The sum of four million seven hundred eighty thousand dollars (\$4,780,000)
34 to the Department of Justice, Consumer Protection Division, for financial
35 fraud detection and prevention efforts.
- 36 (2) The sum of six million six hundred ninety thousand dollars (\$6,690,000) to
37 the Administrative Office of the Courts to be administered by the North
38 Carolina Conference of District Attorneys. Funds shall be used for grants
39 and training for prosecutorial offices to expand prosecution of lending and
40 financial crimes.
- 41 (3) The sum of thirty million five hundred twenty thousand dollars
42 (\$30,520,000) to the Housing Finance Agency for housing counselors and
43 other assistance to help distressed homeowners.
- 44 (4) The sum of five million seven hundred forty thousand dollars (\$5,740,000)
45 in civil penalties shall be deposited in the Civil Penalty and Forfeiture Fund.
- 46 (5) The sum of two million eight hundred seventy thousand dollars (\$2,870,000)
47 to the Department of Justice, State Bureau of Investigation, to expand its
48 accounting and financial investigative ability and its expertise to investigate
49 financial and lending crimes.

50 **SECTION 5.(c)** No State agency receiving money from the National Mortgage
51 Settlement may make expenditures for purposes not authorized by the General Assembly, nor

1 may a State agency spend an amount totaling more than that appropriated by the General
2 Assembly; however, a State agency may use the funds to offset 2012-2013 fiscal year
3 nonrecurring reductions. Any positions established by State agencies with funds appropriated
4 pursuant to this section shall be temporary or time-limited positions.

5 **SECTION 5.(d)** Nothing in this section is intended to be in conflict with the
6 mandatory provisions of the Consent Judgment.

7
8 **APPROPRIATION OF FUNDS FROM THE EMPLOYMENT SECURITY**
9 **COMMISSION RESERVE FUND**

10 **SECTION 6.** There is appropriated from the Employment Security Reserve Fund
11 to the Department of Commerce, Division of Employment Security, the amount needed for the
12 2012-2013 fiscal year to fund the interest payment due to the federal government for the debt
13 owed to the U.S. Treasury for unemployment benefits.

14
15 **EXPENDITURE OF FUNDS FOR CERTAIN PURPOSES AUTHORIZED**

16 **SECTION 7.** G.S. 143C-6-5 reads as rewritten:

17 "**§ 143C-6-5. No expenditures for purposes for which the General Assembly has**
18 **considered but not enacted an appropriation; no fee increases that the General**
19 **Assembly has rejected.**

20 (a) Notwithstanding any other provision of law, no funds from any source, except for
21 gifts, grants, or funds allocated from the Repair and Renovations Account in accordance with
22 G.S. 143C-4-3, funds allocated from the Contingency and Emergency Fund in accordance with
23 G.S. 143C-4-4, and funds exempted from Chapter 143C in accordance with G.S. 143C-1-3(c)
24 may be expended for any new or expanded purpose, position, or other expenditure for which
25 the General Assembly has considered but not enacted an appropriation of funds for the current
26 fiscal period. For the purpose of this subsection, the General Assembly has considered a
27 purpose, position, or other expenditure (i) when that purpose is included in a bill which fails a
28 reading, ~~or (ii)~~ if the purpose is included in the version of a bill that passes one house, but the
29 bill is enacted without the ~~purpose~~ purpose, or (iii) if the purpose is included in the version of a
30 bill that is ratified by the General Assembly but the bill does not become law.

31 (b) Notwithstanding any other provision of law, no fee shall be increased if the General
32 Assembly has rejected an increase of that fee for the current fiscal period. For the purpose of
33 this subsection, the General Assembly has rejected a fee increase when that fee increase is
34 included in a bill which fails a reading, or if the fee increase is included in the version of a bill
35 that passes one house, but the bill is enacted without the fee increase."

36
37 **EFFECTIVE DATE**

38 **SECTION 8.** Except as otherwise provided, this act becomes effective July 1,
39 2012.