1997

HOUSE APPROPRIATIONS – HUMAN RESOURCES

MINUTES

HOUSE OF REPRESENTATIVE\
APPROPRIATIONS SUBCOMMITTEE ON HUMAN RESOURCES

1997-98 Session

Representative Charlotte Gardner, Co-Chair
Representative Lanier Cansler, Co-Chair
Representative Debbie Clary, Co-Chair

MEMBERS

Representative Alma Adams
Representative M.W. Aldridge
Representative Martha Alexander
Representative J. W. Hurley
Representative Edd Nye, Ranking Minority Member
Representative Cindy Watson

Representative Theresa Esposito, Appropriations Co-Chair
Representative George Holmes, Appropriations Co-Chair
Representative Leo Daughtry, House Majority Leader
Representative Steve Woods, House Pro Temp

Staff:
Carol Shaw
Mary Ellen Sylvester
Karen Hammonds-Blanks

Staff Attorneys:
Gann Watson
Dianna Jessup

Clerks:
Barbara R. Hocutt
Barbara Cansler
Mary Jamison

HOUSE APPROPRIATIONS COMMITTEE
SUBCOMMITTEE ON HUMAN RESOURCES



REPRESENTATIVE
CHARLOTTE GARDNER
CO-CHAIR



REPRESENTATIVE
LANIER CANSLER
CO-CHAIR



REPRESENTATIVE
DEBBIE CLARY
CO-CHAIR



REPRESENTATIVE
ALMA ADAMS



REPRESENTATIVE
HENRY ALDRIDGE



REPRESENTATIVE
MARTHA ALEXANDER



REPRESENTATIVE
JOHN HURLEY



REPRESENTATIVE
EDD NYE
RANKING MINORITY MEMEBER



REPRESENTATIVE
CINDY WATSON

STAFF

CAROL SHAW MARY ELLEN SYLVESTER KAREN HAMMONDS-BLANKS

CLERKS

BARBARA HOCUTT BARBARA CANSLER MARY JAMISON

APPROPRIATIONS SUBCOMMITTEE ON HUMAN RESOURCE
1997-98 SESSION

MEMBER (Clerk)	TEL.	OFFICE	SEAT
Rep. Charlotte Gardner, Co-Chair Barbara Hocutt	5-3017	417-B	7
Rep. Lanier Cansler, Co-Chair Barbara Cansler	5-3007	419-A	53
Rep. Debbie Clary, Co-Chair Mary Jamison	5-3010	418-B	75
Rep. Alma Adams Jo Malone	3-5902	542	103
Rep. M.W. "Henry" Aldridge Susan Groh	3-5958	533	39
Rep. Martha Alexander Margy Blackmon	3-5605	1209	34
Rep. J. W. Hurley Dot Anderson	3-5805	1311	71
Rep. Cindy Watson Eburn Watson	5-3015	417-C	19
Rep. George Holmes,Appro., Co-Chair Glenda Jacobs	3-5900	631	6
Rep. Edd Nye,Ranking,Minority Leader Jo Bobbitt	3-5477	639	23
Rep. Steve Wood, Pro Temp Sylvia Perkins	3-5807	2208	12
Rep. Theresa Esposito,Appr., Co-Chair Melissa Jackson	5-2530	634	5
Rep. Leo Daughtry,House Majority Leader Bernice Bullard	5-0850	2301	30

AGENDA

Joint Subcommittee on Human Resources Appropriations

Legislative Office Building - Room 424
Thursday, February 13, 1997
8:30 a.m.

Welcome & Introductions	Co-Chairs Sen. Bill Martin, Rep. Charlotte Gardner, Rep. Debbie A. Clary & Rep. Lanier Cansler
DHR Overview	Dr. David Bruton, Secretary
Subcommittee Schedule & Process	FRD Staff
Subcommittee Discussion	
Next Meeting	

JOINT HUMAN RESOURCES APPROPRIATIONS SUBCOMMITTEE

I. Budget Review Process:

A. FRD Staff:
1. Overview of the Department of Human Resources budget and responsibilities.
2. Review of each division's budget.
3. Provide additional information related to each division's budget.
4. Answer questions posed by committee members.
5. Provide additional information as needed.
6. Prepare committee reports for review and approval by the committee.

B. Agency Staff:
1. Answer questions posed by committee members.
2. Provide additional information as needed.

C. Budget Office Staff:
1. Answer questions posed by committee members.
2. Provide additional information as needed.

II. Flagged Items:

A. Committee members may flag any budget item to be considered at a later time. Examples of possible flagged items include specific line items in departmental budgets and options for consideration presented by FRD staff.

B. FRD staff and committee clerks will maintain master lists of all flagged items.

C. In general, flagged items will be reviewed at the end of the Base Budget process. Additional information needs for reviewing flagged items will be provided at this time.

III. General Information:

A. Committee members may request additional information related to the Department of Human Resources.

B. FRD or agency staff will provide the individual committee member or the committee the information in a timely fashion.

IV. Committee Clerks:

A. Maintain committee notebooks, updating them as new information is provided.

B. Record each meeting and prepare minutes.

C. Maintain a list of all flagged items to be included in each meeting's minutes.

AGENDA

Joint Subcommittee on Human Resources Appropriations

Legislative Office Building - Room 424
Tuesday, February 18, 1997
8:30 am

Division of Medical Assistance

Medicaid Program Overview	Carol Shaw Fiscal Research Division
Medicaid Managed Care Discussion	Committee
Division of Medical Assistance - 1997-99 Budget	Carol Shaw Fiscal Research Division
Committee Discussion	

JOINT HUMAN RESOURCES APPROPRIATIONS SUBCOMMITTEE

SCHEDULE
February 19, 1997

February 18	February 19	February 20
8:30 a.m.	8:30 a.m.	8:30 a.m.
Medical Assistance	Medical Assistance	Facility Services
Rep. Cansler chairs	Rep. Cansler chairs	Rep. Clary chairs
Afternoon (latest Session)	Full Appropriations	Afternoon (latest Session)
Medical Assistance		DHR Comptroller
Rep. Cansler chairs		Rep. Clary chairs

February 25	February 26	February 27
8:30 a.m.	8:30 a.m.	8:30 a.m.
Mental Health	Mental Health	Mental Health
Sen. Martin chairs	Rep. Gardner chairs	Rep. Gardner chairs
Afternoon (latest Session)	Afternoon	Afternoon (latest Session)
Mental Health	Mental Health	Deaf & Hard of Hearing
Sen. Martin chairs	Rep. Gardner chairs	Rep. Gardner chairs

March 4	March 5	March 6
8:30 a.m.	8:30 a.m.	8:30 a.m.
Youth Services	Aging	Social Services
Sen. Martin chairs	Rep. Clary chairs	Rep. Cansler chairs
Afternoon (latest Session)	Afternoon	Afternoon (latest Session)
Youth Services	Adult Home Care	Social Services
Sen. Martin chairs	Rep. Clary chairs	Rep. Cansler chairs

March 11	March 12	March 13
8:30 a.m.	8:30 a.m.	8:30 a.m.
Welfare Reform	Child Development	Vocational Rehab
Sen. Martin chairs	Sen. Martin chairs	Sen. Martin chairs
Afternoon (latest Session)	Afternoon	Afternoon (latest Session)
Welfare Reform	Child Development	Special Topics
Sen. Martin chairs	Sen. Martin chairs	Sen. Martin chairs

Joint Appropriations/Human Resources
Schedule, Page 2

March 18	March 19	March 20
8:30 a.m.	8:30a.m.	8:30 a.m.
Special Provisions	Special Provisions	Committee Discussion
Rep. Clary chairs	Sen. Martin chairs	Sen. Martin chairs
Afternoon (latest Session)	Afternoon	Afternoon (latest Session)
Special Provisions	Com. Discussion	Committee Discussion
Rep. Clary chairs	Sen. Martin chairs	Sen. Martin chairs

April 1
8:30 a.m.
BLOCK GRANT HEARING

AGENDA

Joint Subcommittee on Human Resources Appropriations

Legislative Office Building - Room 424
Thursday, February 20, 1997
8:30 am

Division of Medical Assistance 1997-99 Budget (Continued)	Carol Shaw Fiscal Research Division
Division of Services for the Blind 1997-99 Budget Overview	Mary Ellen Sylvester Fiscal Research Division
Report on the Consolidation of the Office of the Controller	Joyce Johnson, Controller DHR
Division of Facility Services 1997-99 Budget Overview	Carol Shaw Fiscal Research Division

Human Resources Joint Appropriations Subcommittee
Agenda
February 25, 1997

Overview of the Performance Program Budget Process

State-wide Process	John Dorman
Department of Human Resources Process	James B. Edgerton
Division of Facility Services Process	Bob Fitzgerald

Minimum Level
My Call
Cost Containment

Charlotte Gardner
DHR Blank Bill

January 1997

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JOINT HUMAN RESOURCES APPROPRIATIONS SUBCOMMITTEE

February 1997

March 1997

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16	17	18 8:30 AM-10:00 AM Medical Assistance 3:00 PM-5:00 PM Medical Assistance	19 8:30 AM-10:00 AM Medical Assistance 3:00 PM-5:00 PM ~~Blind Services~~ full Approp. PM	20 8:30 AM-10:00 AM Facility Services 3:00 PM-5:00 PM DHR Comptroller	21	22
23	24	25 8:30 AM-10:00 AM Mental Health 3:00 PM-5:00 PM Mental Health Sen Martin	26 8:30 AM-10:00 AM Mental Health 3:00 PM-5:00 PM Mental Health	27 8:30 AM-10:00 AM Mental Health 3:00 PM-5:00 PM Deaf & Hard-Of-Hearing	28	

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February 1997

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JOINT HUMAN RESOURCES APPROPRIATIONS SUBCOMMITTEE

March 1997

April 1997

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9	10	11 Sen Mart 8:30 AM-10:00 AM Welfare Reform 3:00 PM-5:00 PM Welfare Reform	12 Sen Mart 8:30 AM-10:00 AM Child Development 3:00 PM-5:00 PM Child Development	13 Sen Mart 8:30 AM-10:00 AM Vocational Rehab. 3:00 PM-5:00 PM Special Topics	14	15
16	17 Debbie Lanier split	18 8:30 AM-10:00 AM Special Provisions 3:00 PM-5:00 PM Special Provisions	19 Sen Martin 8:30 AM-10:00 AM Special Provisions 3:00 PM-5:00 PM Committee Discussion	20 Sen Martin 8:30 AM-10:00 AM Committee Discussion 3:00 PM-5:00 PM Committee Discussion	21	22
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March 1997

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JOINT HUMAN RESOURCES APPROPRIATIONS SUBCOMMITTEE

April 1997

May 1997

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AGENDA

Joint Subcommittee on Human Resources Appropriations

Legislative Office Building - Room 424
Tuesday, February 19, 1997
8:30 am

Division of Medical Assistance

Division of Medical Assistance - 1997-99 Budget	Carol Shaw Fiscal Research Division

Committee Discussion

The Joint Full Appropriations Committee will meet this afternoon to discuss the Financial Model. The DHR subcommittee will not meet.

January 1997

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JOINT HUMAN RESOURCES APPROPRIATIONS SUBCOMMITTEE

February 1997

March 1997

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16	17	18 8:30 AM-10:00 AM Medical Assistance 3:00 PM-5:00 PM Medical Assistance	19 8:30 AM-10:00 AM Medical Assistance 3:00 PM-5:00 PM Blind Services	20 8:30 AM-10:00 AM Facility Services 3:00 PM-5:00 PM DHR Comptroller	21	22
23	24	25 8:30 AM-10:00 AM Mental Health 3:00 PM-5:00 PM Mental Health	26 8:30 AM-10:00 AM Mental Health 3:00 PM-5:00 PM Mental Health	27 8:30 AM-10:00 AM Mental Health 3:00 PM-5:00 PM Deaf & Hard-0f-Hearing	28	

February 1997

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JOINT HUMAN RESOURCES APPROPRIATIONS SUBCOMMITTEE

March 1997

April 1997

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March 1997

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JOINT HUMAN RESOURCES APPROPRIATIONS SUBCOMMITTEE

April 1997

May 1997

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Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1 8:30 AM-10:00 AM Block Grant Hearing	2	3	4	5
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March 11, 1997

February 1997

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JOINT HUMAN RESOURCES APPROPRIATIONS SUBCOMMITTEE

March 1997

April 1997

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9	10	11 8:30 AM-10:00 AM Mental Health 3:00 PM-5:00 PM Mental Health	12 8:30 AM-10:00 AM Vocational Rehab. 3:00 PM-5:00 PM Aging	13 8:30 AM-10:00 AM Adult Care Homes 2:00 PM-3:30 PM Youth Services	14	15
16	17	18 8:30 AM-10:00 AM Social Services 3:00 PM-5:00 PM Social Services	19 8:30 AM-10:00 AM Welfare Reform 3:00 PM-5:00 PM Welfare Reform	20 8:30 AM-10:00 AM Child Development 3:00 PM-5:00 PM Special Provisions	21	22
23	24	25 8:30 AM-10:00 AM Special Provisions 3:00 PM-5:00 PM Committee Discussion	26	27	28	29
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AGENDA

Joint Subcommittee on Human Resources Appropriations

Legislative Office Building - Room 424
Thursday - March 6, 1997
8:30 a.m.

Division of Mental Health, Developmental Disabilities, Substance Abuse Services *(continued)*

- Managed Care Initiatives:
  - -CAP-MR/DD — FRD
  - -Single Portal DD
  - -Psychiatric Hospital Bed Allocation — Don Willis
  - -Carolina Alternatives — Lynn Stelle

Division of Services for Deaf and Hard-of-Hearing — FRD

AGENDA

COMMITTEE ON ELECTION LAWS & CAMPAIGN REFORM

Wednesday, March 12, 1997

11:00 A.M.

ROOM 424

OPENING REMARKS

CONNIE WILSON- BETTER CAMPAIGN COMMISSION
SOFT DOLLARS

PRESENTATIONS

SAM CURRIN, CHAIRMAN N.C. REPUBLICAN PARTY

LIBBA EVANS, CHAIRIMAN N.C. DEMOCRATIC PARTY

PHIL KIRK, PRESIDENT NCCBI

ADJOURNMENT

JOINT MEETINGS OF THE APPROPRIATIONS SUBCOMMITTEE ON HUMAN RESOURCES - 1997

February 18, 1997
February 19, 1997
February 26, 1997
February 27, 1997
March 5, 1997
March 6, 1997
March 18, 1997
April 1, 1997
April 8, 1997
May 13, 1997

Record of these meetings can be found in the notebooks of the Joint meetings of the House and Senate Appropriations Subcommittees on Human Resources for 1997.

Howitt

ATTENDANCE

APPROPRIATIONS SUBCOMMITTEE ON HUMAN RESOURCE

(Name of Committee)

DATES	2/13	2/26	2/27 am	2/27 am	4/8 am	4/8 pm	4/8 pm	5/6	5/8	5/15 am	5/20	5/27	5/28	5/29	7/31 8:30	7/31 11:30
Charlotte Gardner, Co-Chair	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Lanier Cansler, Co-Chair	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
Debbie Clary, Co-Chair	✓	✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Alma Adams		✓	✓			✓		✓	✓	✓	✓	✓	✓	✓	✓	
M.W. "Henry" Aldridge	✓	✓	✓	✓	✓	✓	✓	✓	✓	LV	✓	✓	✓	✓	✓	
Martha Alexander	✓	✓	✓	✓	✓	✓	✓	✓			LV		LV	LV	LV	✓
J.W. Hurley	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Edd Nye, Ranking Minority Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Cindy Watson	✓	✓	✓	✓	✓	✓		✓	✓		✓		✓	✓	✓	
Rep. Leo Daughtry, Majority Leader																
Steve Wood, Pro Temp																
Theresa Esposito, Appro.,Co-Chair								✓								

Cansler

ATTENDANCE

APPROPRIATIONS SUBCOMMITTEE ON HUMAN RESOURCE

(Name of Committee)

DATES	2/18 am	2/18 pm	2/19 pm	3/6 am	3/6 pm	4/1	5/7	5/14							
Charlotte Gardner, Co-Chair	✓	✓	✓	✓	✓	✓	✓	✓							
Lanier Cansler, Co-Chair	✓	✓	✓	✓	✓	✓	✓	✓							
Debbie Clary, Co-Chair	✓	✓	✓	✓	✓	✓	✓	✓							
Alma Adams	✓	✓	✓	✓	✓	✓	✓	✓							
M.W. "Henry" Aldridge	✓	✓	✓	✓	✓	✓	✓	✓							
Martha Alexander	✓	✓	✓	✓	✓	✓	✓								
J.W. Hurley	✓			✓		✓	✓	✓							
Edd Nye, Ranking Minority Member	✓	✓	✓	✓	✓	✓	✓	✓							
Cindy Watson	✓	✓	✓	✓	✓	✓	✓	✓							
Rep. Leo Daughtry, Majority Leader															
Steve Wood, Pro Temp															
Theresa Esposito, Appro.,Co-Chair	✓						✓								

Jamison

ATTENDANCE

APPROPRIATIONS SUBCOMMITTEE ON HUMAN RESOURCE

(Name of Committee)

DATES	AM 3/5	PM 3/5	AM 3/18	PM 3/18	PM 4/1	5/13
Charlotte Gardner, Co-Chair	✓	✓	✓	✓		
Lanier Cansler, Co-Chair	✓	✓	✓	✓		✓
Debbie Clary, Co-Chair	✓	✓	✓	✓	✓	✓
Alma Adams	✓		✓	✓	✓	✓
M.W. "Henry" Aldridge	EA	EA	✓	✓	EA	✓
Martha Alexander	✓	✓				✓
J.W. Hurley	✓	✓	✓		✓	✓
Edd Nye, Ranking Minority Member	✓	✓		✓	✓	✓
Cindy Watson	✓	✓	✓	✓	✓	✓
Rep. Leo Daughtry, Majority Leader						
Steve Wood, Pro Temp		✓				
Theresa Esposito, Appro.,Co-Chair						

NORTH CAROLINA GENERAL ASSEMBLY

COMMITTEE SUMMARY REPORT

1997-98 Regular Session — HOUSE: APPROPRIATIONS--HUMAN RESOURCES — Valid Through 3-SEP-1997

BILL	INTRODUCER	SHORT TITLE	LATEST ACTION ON BILL	IN DATE	OUT DATE
H 490	EASTERLING	SMART START FUNDS	H -ASSIGNED TO APP-HRES	04-23-97	
H 949=	**GARDNER**	**IMPROVE CHILD PROTECTION/RECORDS**	***H -PRES. TO GOV. 08-19**	**07-30-97**	**08-04-97**

NOTES- = AFTER BILL NUMBER SHOWS THAT BILL IS IDENTICAL, AS INTRODUCED, TO ANOTHER BILL.
* AFTER NUMBERS INDICATES THAT TEXT OF BILL WAS ALTERED BY ACTION ON THE BILL.
BOLDED LINE INDICATES BILL INDEXED AS AFFECTING APPROPRIATIONS.

REFERRAL FORM

NORTH CAROLINA HOUSE OF REPRESENTATIVES
ASSIGNMENT OF BILLS TO SUBCOMMITTEE

COMMITTEE: **APPROPRIATIONS**

CHAIRMAN: **Representative George M. Holmes**

DATE: **7-30-97**

Bill Number (Indicate **H** or **S**): H 949

Short Title: IMPROVE CHILD PROTECTION/RECORDS

Assigned to Subcommittee on: **Human Resources**

Re-Assigned to Subcommittee on:

Bill Number (Indicate **H** or **S**):

Short Title:

Assigned to Subcommittee on:

Re-Assigned to Subcommittee on:

Bill Number (Indicate **H** or **S**):

Short Title:

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Bill Number (Indicate **H** or **S**):

Short Title:

Assigned to Subcommittee on:

Re-Assigned to Subcommittee on:

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H D

HOUSE BILL 949
Committee Substitute Favorable 4/29/97
Committee Substitute #2 Favorable 7/21/97
Proposed Committee Substitute H949-PCS4141

Short Title: Improve Child Protection/Records. (Public)

Sponsors:

Referred to:

April 15, 1997

AN ACT TO IMPROVE CHILD PROTECTION BY ALLOWING DISCLOSURE OF CERTAIN RECORDS.

The General Assembly of North Carolina enacts:

Section 1. Chapter 7A of the General Statutes is amended by adding the following new section to read:

"**§ 7A-675.1. Disclosure in child fatality or near fatality cases.**

(a) The following definitions apply in this section:

(1) 'Child fatality' means the death of a child from suspected abuse, neglect, or maltreatment.

(2) 'Near fatality' means a case in which a physician determines that a child is in serious or critical condition as the result of sickness or injury caused by suspected abuse, neglect, or maltreatment.

(3) 'Public agency' means any agency of State government or its subdivisions as defined in G.S. 132-1(a).

(4) 'Findings and information' means a written summary, as allowed by subsections (c) through (f) of this section, of actions taken or services rendered by a public agency following receipt of information that a child might be in need of protection. The written summary shall include any of the following information the agency is able to provide:

a. The dates, outcomes, and results of any actions taken or services rendered.

b. The results of any review by the State Child Fatality Prevention Team, a local child fatality prevention team, a local community child protection team, the Child Fatality Task Force, or any public agency.

c. Confirmation of the receipt of all reports, accepted or not accepted by the county department of social services, for investigation of suspected child abuse, neglect, or maltreatment, including confirmation that investigations were conducted, the results of the investigations, a description of the conduct of the most recent investigation and the services rendered, and a statement of basis for the department's decision.

(b) Notwithstanding any other provision of law and subject to the provisions of subsections (c) through (f) of this section, a public agency shall disclose to the public, upon request, the findings and information related to a child fatality or near fatality if:

(1) A person is criminally charged with having caused the child fatality or near fatality; or

(2) The district attorney has certified that a person would be charged with having caused the child fatality or near fatality but for that person's prior death.

(c) Nothing herein shall be deemed to authorize access to the confidential records in the custody of a public agency, or the disclosure to the public of the substance or content of any psychiatric, psychological, or therapeutic evaluations or like materials or information pertaining to the child or the child's family unless directly related to the cause of the child fatality or near fatality, or the disclosure of information that would reveal the identities of persons who provided information related to the suspected abuse, neglect, or maltreatment of the child.

(d) Within five working days from the receipt of a request for findings and information related to a child fatality or near fatality, a public agency shall consult with the appropriate district attorney and provide the findings and information unless the agency has a reasonable belief that release of the information:

(1) Is not authorized by subsections (a) and (b) of this section;

(2) Is likely to cause mental or physical harm or danger to a minor child residing in the deceased or injured child's household;

(3) Is likely to jeopardize the State's ability to prosecute the defendant;

(4) Is likely to jeopardize the defendant's right to a fair trial;

(5) Is likely to undermine an ongoing or future criminal investigation; or

(6) Is not authorized by federal law and regulations.

(e) Any person whose request is denied may apply to the appropriate superior court for an order compelling disclosure of the findings and information of the public

agency. The application shall set forth, with reasonable particularity, factors supporting the application. The superior court shall have jurisdiction to issue such orders. Actions brought pursuant to this section shall be set down for immediate hearing, and subsequent proceedings in such actions shall be accorded priority by the appellate courts. After the court has reviewed the specific findings and information, in camera, the court shall issue an order compelling disclosure unless the court finds that one or more of the circumstances in subsection (d) of this section exist.

(f) Access to criminal investigative reports and criminal intelligence information of public law enforcement agencies, and confidential information in the possession of the State Child Fatality Prevention Team, the local teams, and the Child Fatality Task Force, shall be governed by G.S. 132-1.4 and G.S. 143-578 respectively. Nothing herein shall be deemed to require the disclosure or release of any information in the possession of a district attorney.

(g) Any public agency or its employees acting in good faith in disclosing or declining to disclose information pursuant to this section shall be immune from any criminal or civil liability that might otherwise be incurred or imposed for such action.

(h) Nothing herein shall be deemed to narrow or limit the definition of 'public records' as set forth in G.S. 132-1(a)."

Section 2. G.S. 7A-675(h) reads as rewritten:

"(h) ~~Nothing in this section shall preclude the necessary sharing of information among authorized agencies.~~ The chief district court judge in each district shall designate by standing order certain agencies in the district as 'agencies authorized to share information'. Agencies so designated shall share with one another, upon request, information that is in their possession that is relevant to any case in which a petition is filed alleging that a juvenile is abused, neglected, or dependent, and shall continue to do so until the juvenile is no longer subject to the juvenile jurisdiction of the court. Agencies that may be designated as 'agencies authorized to share information' include local mental health facilities, local health departments, local departments of social services, local law enforcement agencies, local school administrative units, the district's district attorney's office, the Division of Juvenile Services of the Administrative Office of the Courts, and the Office of Guardian ad Litem Services of the Administrative Office of the Courts. Any information shared among agencies pursuant to this subsection shall remain confidential, shall be withheld from public inspection, and shall be used only for the protection of the juvenile. Nothing in this section or any other provision of law shall preclude any other necessary sharing of information among agencies."

Section 3. Funds appropriated in Senate Bill 352, 5th edition, to the Department of Human Resources, Division of Social Services, for child welfare system improvements shall be used to implement the provisions of this act.

Section 4. Sections 1 and 2 of this act become effective October 1, 1997. The remainder of this act is effective upon becoming law.

REFERRAL FORM

NORTH CAROLINA HOUSE OF REPRESENTATIVES
ASSIGNMENT OF BILLS TO SUBCOMMITTEE

COMMITTEE: **APPROPRIATIONS**

CHAIRMAN: **Representative Holmes**

DATE: **4-23-97**

Bill Number (Indicate **H** or **S**): HB 490

Short Title: Smart Start Fund/AB

Assigned to Subcommittee on: **Human Resources**

Re-Assigned to Subcommittee on:

Bill Number (Indicate **H** or **S**):

Short Title:

Assigned to Subcommittee on:

Re-Assigned to Subcommittee on:

Bill Number (Indicate **H** or **S**):

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Assigned to Subcommittee on:

Re-Assigned to Subcommittee on:

Bill Number (Indicate **H** or **S**):

Short Title:

Assigned to Subcommittee on:

Re-Assigned to Subcommittee on:

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H 1

HOUSE BILL 490

Short Title: Smart Start Fund/AB. (Public)

Sponsors: Representatives Easterling, Watson (Cosponsors); Baddour, Boyd-McIntyre, Goodwin, Hightower, Jarrell, Jeffus, Miller, and Wainwright.

Referred to: Appropriations.

March 10, 1997

A BILL TO BE ENTITLED

AN ACT TO ESTABLISH A TRUST FUND TO PROVIDE FUNDING FOR THE EARLY CHILDHOOD INITIATIVES PROGRAM.

The General Assembly of North Carolina enacts:

Section 1. (a) G.S. 143B-168.12(a) reads as rewritten:

"(a) In order to receive State funds, the following conditions shall be met:

(1) The North Carolina Partnership shall have a Board of Directors consisting of the following 39 members:

a. The Secretary of Human Resources, ex officio;

b. The Secretary of Environment, Health, and Natural Resources, ex officio;

c. The Superintendent of Public Instruction, ex officio;

d. The President of the Department of Community Colleges, ex officio;

e. One resident from each of the 1st, 3rd, 5th, 7th, 9th, and 11th Congressional Districts, appointed by the President Pro Tempore of the Senate;

f. One resident from each of the 2nd, 4th, 6th, 8th, 10th, and 12th Congressional Districts, appointed by the Speaker of the House of Representatives;

g. Seventeen members, of whom four shall be members of the party other than the Governor's party, appointed by the Governor;

h. The President Pro Tempore of the Senate, or a designee;
i. The Speaker of the House of Representatives, or a designee;
j. The Majority Leader of the Senate, or a designee;
k. The Majority Leader of the House of Representatives, or a designee;
l. The Minority Leader of the Senate, or a designee; and
m. The Minority Leader of the House of Representatives, or a designee.

(2) The North Carolina Partnership shall agree to adopt procedures for its operations that are comparable to those of Article 33C of Chapter 143 of the General Statutes, the Open Meetings Law, and Chapter 132 of the General Statutes, the Public Records Law, and provide for enforcement by the Department.

(3) The North Carolina Partnership shall oversee the development and implementation of the local demonstration projects as they are selected.

(4) The North Carolina Partnership shall develop and implement a comprehensive standard fiscal accountability plan to ensure the fiscal integrity and accountability of State funds appropriated to it and to the local partnerships. The standard fiscal accountability plan shall, at a minimum, include a uniform, standardized system of accounting, internal controls, payroll, fidelity bonding, chart of accounts, and contract management and monitoring. The North Carolina Partnership may contract with outside firms to develop and implement the standard fiscal accountability plan. All local partnerships shall be required to participate in the standard fiscal accountability plan developed and adopted by the North Carolina Partnership pursuant to this subdivision.

(5) The North Carolina Partnership shall develop and implement a centralized accounting and contract management system which incorporates features of the required standard fiscal accountability plan described in subdivision (4) of subsection (a) of this section. The following local partnerships shall be required to participate in the centralized accountability system developed by the North Carolina Partnership pursuant to this subdivision:

a. Local partnerships which have significant deficiencies in their accounting systems, internal controls, and contract management systems, as determined by the North Carolina Partnership based on the annual financial audits of the local partnerships conducted by the Office of the State Auditor; and

b. Local partnerships which are in the first two years of operation following their selection. At the end of this two-year period, local partnerships shall continue to participate

in the centralized accounting and contract management system. With the approval of the North Carolina Partnership, local partnerships may perform accounting and contract management functions at the local level using the standardized and uniform accounting system, internal controls, and contract management systems developed by the North Carolina Partnership.

Local partnerships which otherwise would not be required to participate in the centralized accounting and contract management system pursuant to this subdivision may voluntarily choose to participate in the system. Participation or nonparticipation shall be for a minimum of two years, unless, in the event of nonparticipation, the North Carolina Partnership determines that any partnership's annual financial audit reveals serious deficiencies in accounting or contract management.

(5.1) The North Carolina Partnership shall establish a special trust account to be known as the Early Childhood Initiatives Trust Fund. Contributions and earnings transferred to the North Carolina Partnership pursuant to G.S. 105-269.7 shall be placed in the Trust Fund. The North Carolina Partnership shall invest monies in the Trust Fund only in the investments described in G.S. 147-69.2(b). The North Carolina Partnership may not use funds in the Trust Fund until the balance of the Trust Fund reaches one million dollars ($1,000,000). When the balance of the Trust Fund reaches one million dollars ($1,000,000), and until the balance reaches ten million dollars ($10,000,000), the North Carolina Partnership may use up to fifty percent (50%) of the balance. If the balance of the Trust Fund reaches ten million dollars ($10,000,000), the North Carolina Partnership may use all credited earnings and future annual deposits to the Trust Fund above the balance of ten million dollars ($10,000,000). Monies from the Trust Fund shall be used only for the purposes enumerated in G.S. 143B-168.15.

(6) The North Carolina Partnership shall develop a formula for allocating direct services funds appropriated for this purpose to local partnerships.

(7) The North Carolina Partnership may adjust its allocations on the basis of local partnerships' performance assessments. In determining whether to adjust its allocations to local partnerships, the North Carolina Partnership shall consider whether the local partnerships are meeting the outcome goals and objectives of the North Carolina Partnership and the goals and objectives set forth by the local partnerships in their approved annual program plans.

The North Carolina Partnership may use additional factors to determine whether to adjust the local partnerships' allocations. These additional factors shall be developed with input from the local partnerships and shall be communicated to the local partnerships when the additional factors are selected. These additional factors may include board involvement, family and community outreach, collaboration among public and private service agencies, and family involvement.

On the basis of performance assessments, local partnerships annually shall be rated 'superior', 'satisfactory', or 'needs improvement'. Local partnerships rated 'superior' shall receive, to the extent that funds are available, a ten percent (10%) increase in their annual funding allocation. Local partnerships rated 'satisfactory' shall receive their annual funding allocation. Local partnerships rated 'needs improvement' shall receive ninety percent (90%) of their annual funding allocation.

The North Carolina Partnership may contract with outside firms to conduct the performance assessments of local partnerships.

(8) The North Carolina Partnership shall establish a local partnership advisory committee comprised of 15 members. Eight of the members shall be chairs of local partnerships' board of directors, and seven shall be staff of local partnerships. Members shall be chosen by the Chair of the North Carolina Partnership from a pool of candidates nominated by their respective boards of directors. The local partnership advisory committee shall serve in an advisory capacity to the North Carolina Partnership and shall establish a schedule of regular meetings. Members shall serve two-year terms and may not serve more than two consecutive terms. Members shall be chosen from local partnerships on a rotating basis. The advisory committee shall annually elect a chair from among its members.

(9) The North Carolina Partnership shall report (i) quarterly to the Joint Legislative Commission on Governmental Operations and (ii) to the General Assembly and the Governor on the <u>use of the funds from the Trust Fund established pursuant to subdivision (5.1) of this subsection, and the</u> ongoing progress of all the local partnerships' work, including all details of the use to which the allocations were put, and on the continuing plans of the North Carolina Partnership and of the Department, together with legislative proposals, including proposals to implement the program statewide."

(b) All contributions and earnings transferred to the Early Childhood Initiatives Trust Fund established by the North Carolina Partnership pursuant to G.S. 143B-168.12(a)(5.1) and any earnings from the balance of the Trust Fund shall be

considered a part of any private cash match requirement mandated by the General Assembly in the same State fiscal year as the transfer.

Section 2. Article 9 of Chapter 105 of the General Statutes is amended by adding a new section to read:

"**§ 105-269.7. Contribution by individual to Early Childhood Initiatives Trust Fund.**

An individual entitled to a refund of income taxes under Division II of Article 4 of this Chapter may elect to contribute all or part of the refund to the Early Childhood Initiatives Trust Fund created pursuant to G.S. 143B-168.15(a)(5.1) to be used to provide high-quality early childhood education and development services for children and families. The minimum contribution is five dollars ($5.00) for a joint return and three dollars ($3.00) for any other return. In addition, an individual who is not entitled to a refund may make a contribution to the Early Childhood Initiatives Trust Fund when filing the return; payment may be made in any form allowed for payment of taxes. The Secretary shall provide appropriate language and space on the individual income tax form in which to make the election, including a statement that contributions are deductible to the extent allowed under federal tax law. The election becomes irrevocable upon filing the individual's income tax return for the taxable year. The Secretary shall, on a quarterly basis, retain five percent (5%) of the contributions made pursuant to this section for the costs of implementing this section and shall transmit the remainder of the contributions to the State Treasurer for credit to the Early Childhood Initiatives Trust Fund. If there is no Early Childhood Initiatives Trust Fund, the State Treasurer shall credit the funds to the Department of Human Resources to be used only to provide high-quality early childhood education and development services for children and families. The Secretary shall draw from collections under Division II of Article 4 of this Chapter each fiscal year an amount equal to the remainder of its costs not reimbursed by the percentage retained above, including costs of redesigning and expanding the tax forms and instructions, computer reprogramming, and accounting and administration."

Section 3. G.S. 105-269.7, as enacted by this act, is effective for taxable years beginning on or after January 1, 1997. The remainder of this act is effective when it becomes law.

1997 PERMANENT SUBCOMMITTEE REPORT
HOUSE OF REPRESENTATIVES

FOR RECOMMENDING BILLS TO STANDING COMMITTEE OR TO THE FLOOR OF THE HOUSE
The following report(s) from permanent sub committee(s) is/are presented:
By Representative(s) **GARDNER, CLARY AND CANSLER** for the Permanent Subcommittee on **HUMAN RESOURCES** of the Standing Committee on **APPROPRIATIONS.**

☒ Committee Substitute #2 for
H.B. 949 A BILL TO BE ENTITLED AN ACT TO IMPROVE CHILD PROTECTION BY ALLOWING DISCLOSURE OF CERTAIN RECORDS AND TO APPROPRIATE ONE HUNDRED THOUSAND DOLLARS FOR THIS PURPOSE.

REPORTED TO THE STANDING COMMITTEE ON **APPROPRIATIONS**

RECOMMENDED ACTION:

☐ With a favorable recommendation.

☐ With a favorable recommendation and recommend that the bill be re-referred to the Committee on .

☐ With a favorable recommendation, as amended.

☐ With a favorable recommendation, as amended, and recommend that the bill be re-referred to the Committee on .

☐ With an unfavorable recommendation.

☐ With a favorable recommendation as to proposed committee substitute bill which changes the title, unfavorable as to original bill.

☐ With a favorable recommendation as to proposed House committee substitute bill, which changes the title, unfavorable as to Senate committee substitute bill.

☐ Without prejudice.

☐ Other recommended action: ------

WITH APPROVAL OF STANDING COMMITTEE CHAIR FOR REPORT TO BE MADE DIRECTLY TO THE FLOOR OF THE HOUSE:
Rep. HOLMES, ESPOSITO, CREECH AND CRAWFORD for the Standing Committee on APPROPRIATIONS.

s/ George M. Holmes

☐ With a favorable report.
☐ With a favorable report, as amended.
☒ With a favorable report as to committee substitute bill (# 3), ☒ which changes the title, unfavorable as to original bill (Committee Substitute Bill # 2).
☐ And having received a unanimous vote in committee, be placed on the Consent Calendar. (PUBLIC BILLS ONLY)

4/24/97

JOINT HUMAN RESOURCES APPROPRIATIONS SUBCOMMITTEE

I. Budget Review Process:

A. FRD Staff:
1. Overview of the Department of Human Resources budget and responsibilities.
2. Review of each division's budget.
3. Provide additional information related to each division's budget.
4. Answer questions posed by committee members.
5. Provide additional information as needed.
6. Prepare committee reports for review and approval by the committee.

B. Agency Staff:
1. Answer questions posed by committee members.
2. Provide additional information as needed.

C. Budget Office Staff:
1. Answer questions posed by committee members.
2. Provide additional information as needed.

II. Flagged Items:

A. Committee members may flag any budget item to be considered at a later time. Examples of possible flagged items include specific line items in departmental budgets and options for consideration presented by FRD staff.

B. FRD staff and committee clerks will maintain master lists of all flagged items.

C. In general, flagged items will be reviewed at the end of the Base Budget process. Additional information needs for reviewing flagged items will be provided at this time.

III. General Information:

A. Committee members may request additional information related to the Department of Human Resources.

B. FRD or agency staff will provide the individual committee member or the committee the information in a timely fashion.

IV. Committee Clerks:

A. Maintain committee notebooks, updating them as new information is provided.

B. Record each meeting and prepare minutes.

C. Maintain a list of all flagged items to be included in each meeting's minutes.

Appropriations / Human Resources

February 13, 1997

Department of Human Resources

Overview

February 13, 1997

Human Resources Issues
1997 Session

Welfare Reform - Work First

Smart Start

Medicaid Reform

DHR Reorganization

DHR Operating Budget - 1996-97

DHR's budget is 37% of all State government's total budget

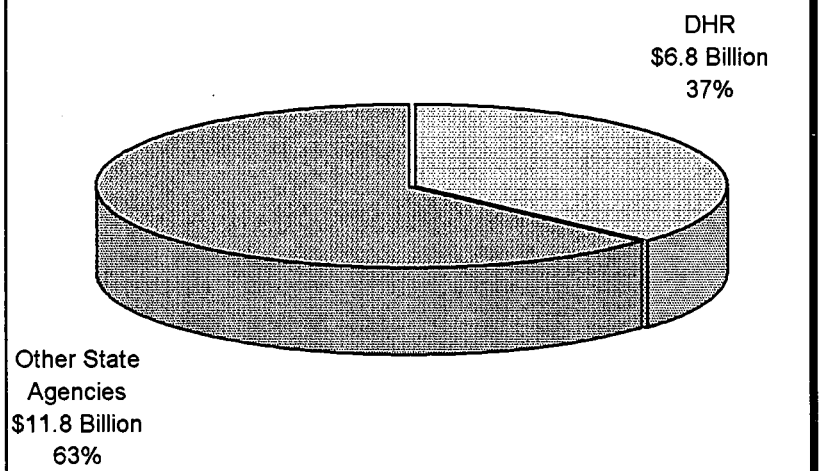


Chart 1
Total Budget

21% of all State appropriations go to DHR

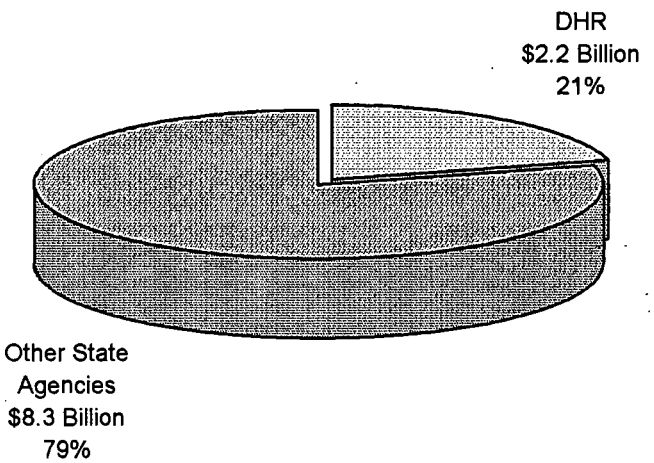


Chart 2
State Appropriation

- As of September 30, 1996
- Includes only General Fund Budget Codes.
- DHR amount excludes intradepartmental transfers.

54% of DHR's budget comes from federal sources; 32% comes from the state

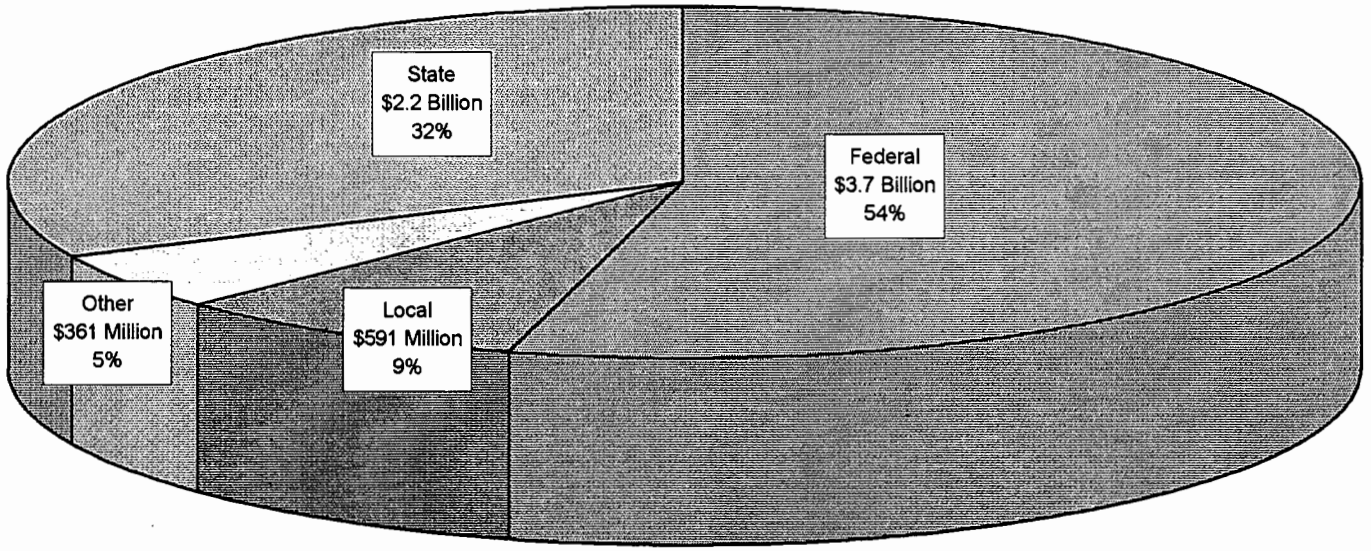


Chart 3
DHR Source of Funds - 1996-97

88% of the total budget goes for programs & benefits to individuals, such as TANF and Medicaid

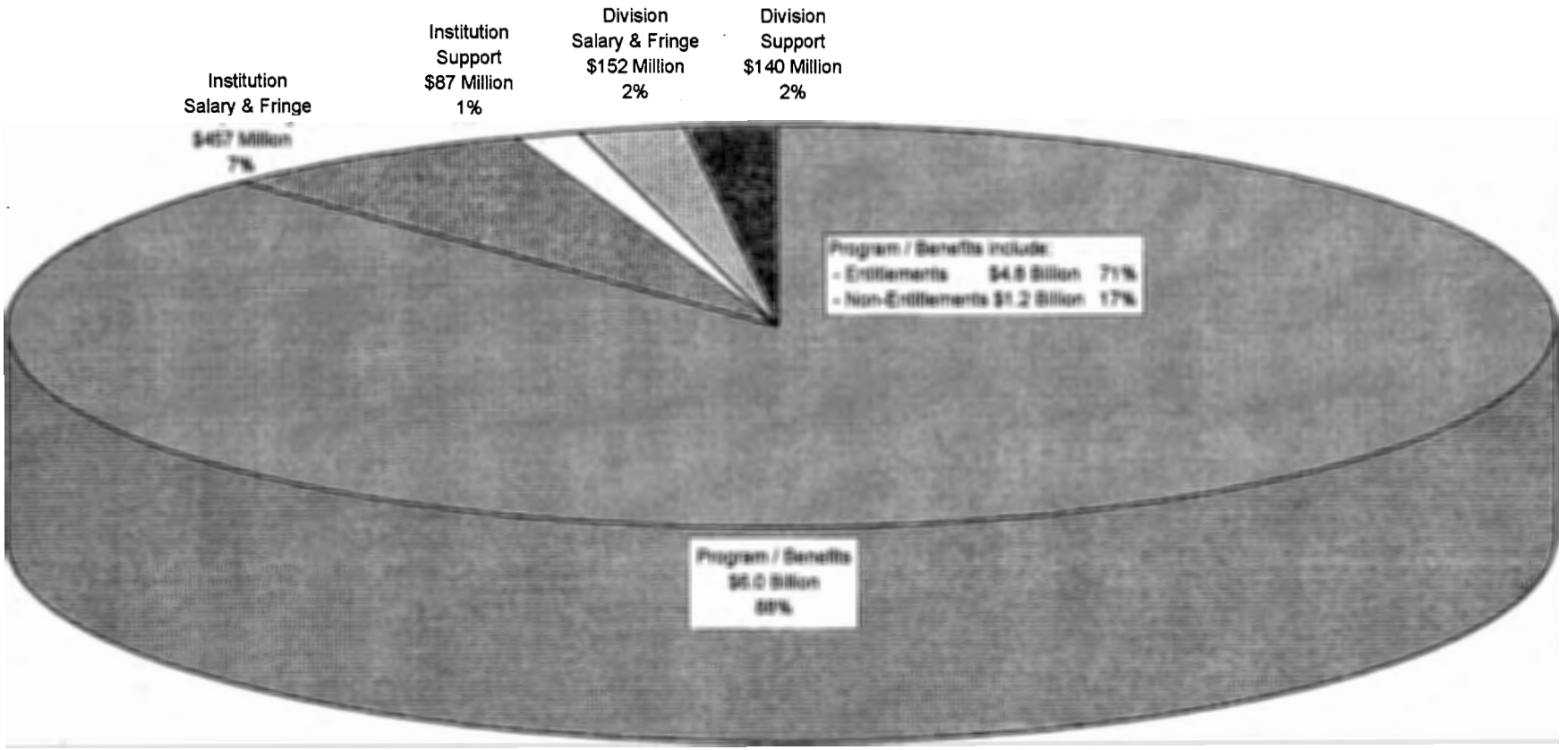
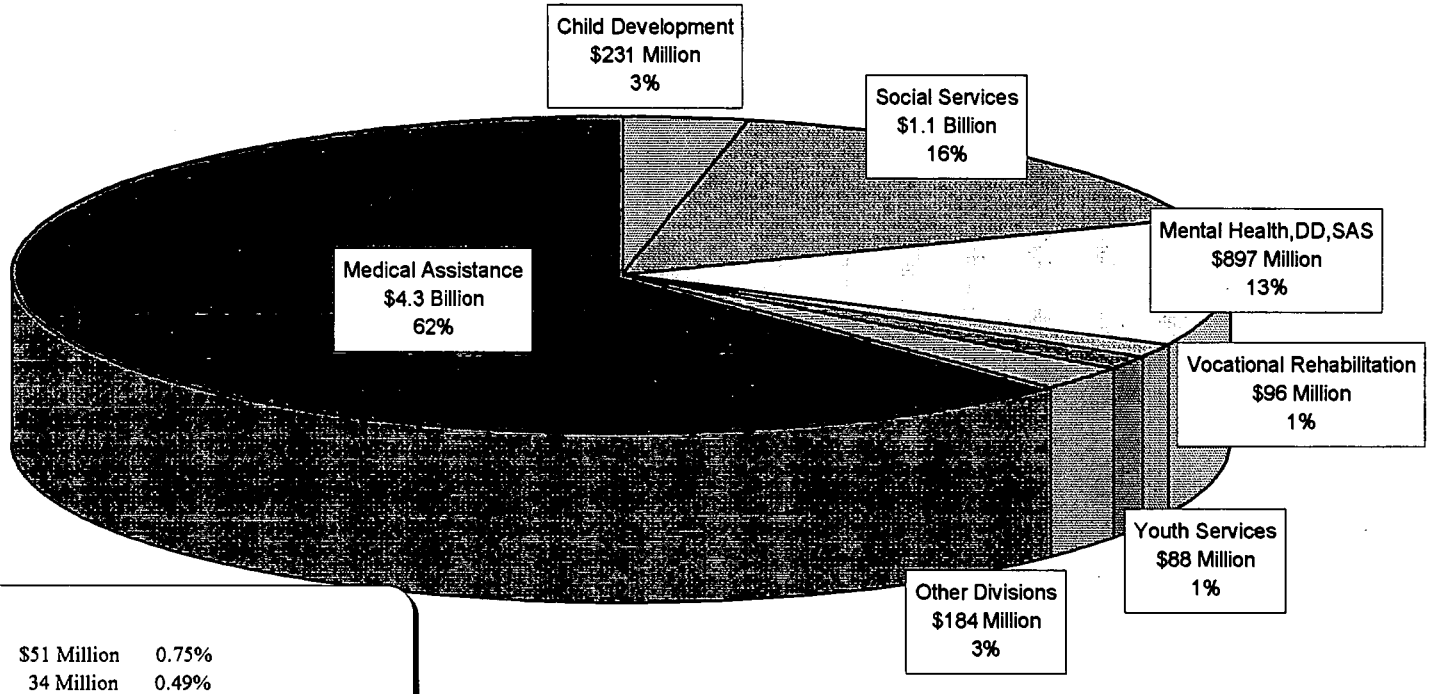


Chart 4
DHR Total Budget By Category - 1996-97

62% of DHR's total budget goes solely for Medicaid



Other Divisions:		
Aging	$51 Million	0.75%
Services for the Blind	34 Million	0.49%
Deaf & Hard of Hearing	29 Million	0.42%
Facility Services	20 Million	0.29%
Economic Opportunity	14 Million	0.20%
Information Resources Mgt.	14 Million	0.20%
Central Administration	11 Million	0.17%
Rural Health	9 Million	0.14%
DD Council	2 Million	0.03%

Chart 5
DHR Total Budget By Division - 1996-97

Note: Budget has been adjusted for transfers.

Of DHR's 18,156 positions, 77% are in institutions,
12% are based in Raleigh, and 11% are in field offices

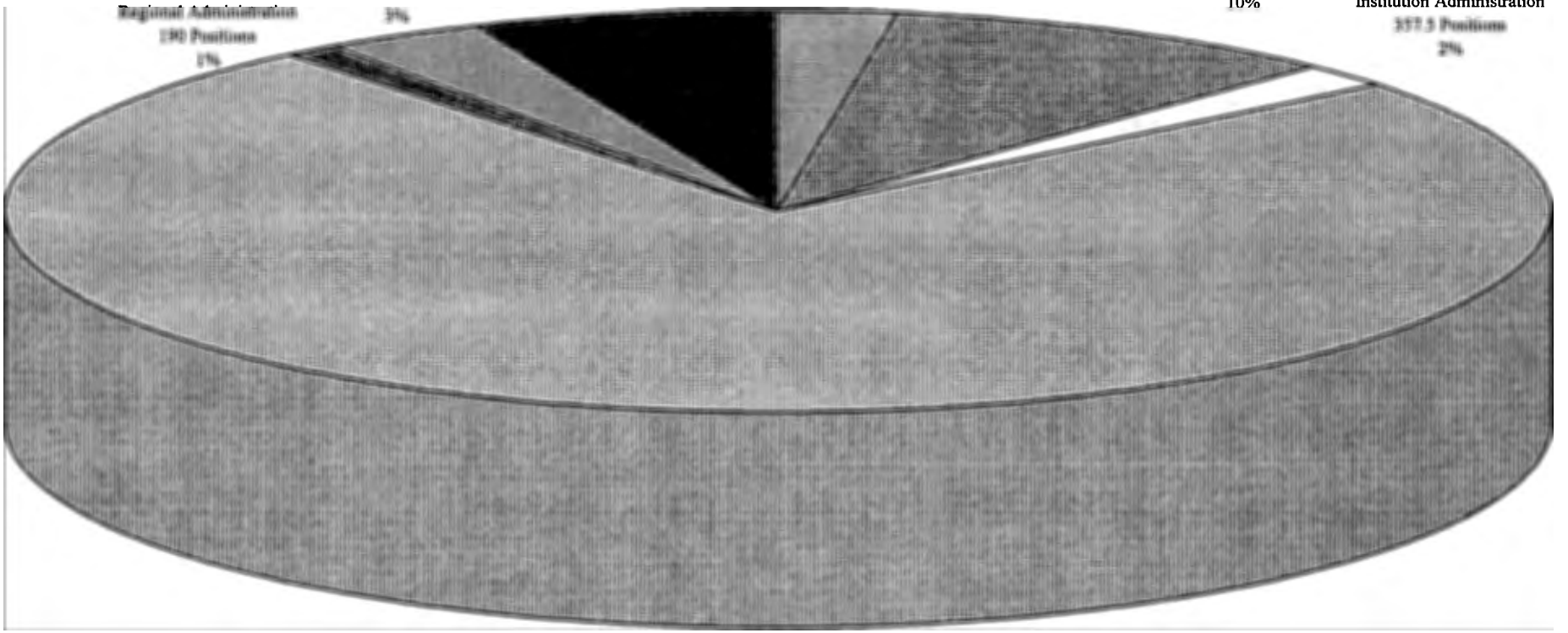


Chart 6
DHR Positions By Location and Function - 1996-97

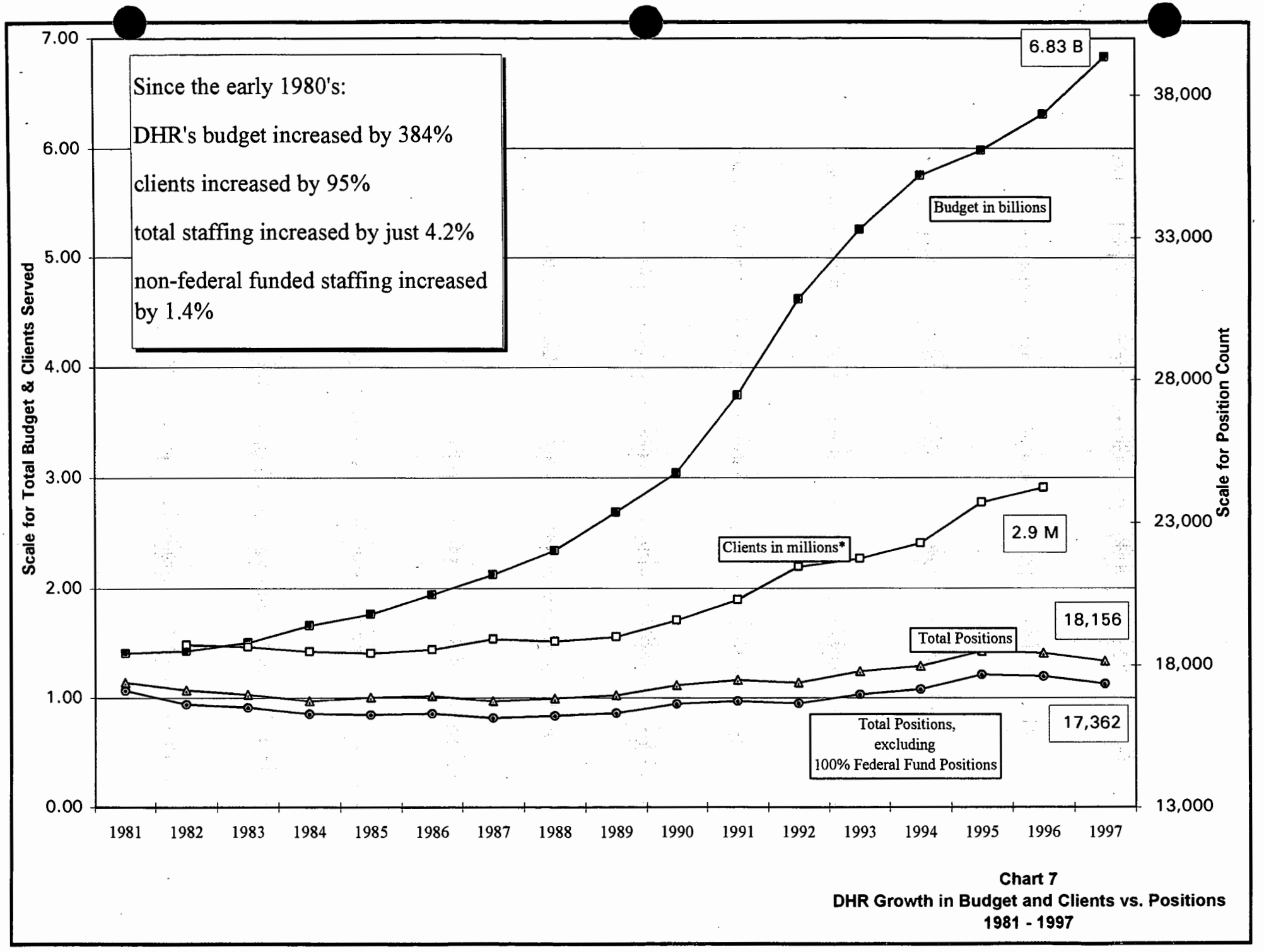


Chart 7
DHR Growth in Budget and Clients vs. Positions
1981 - 1997

* 1981 information incomplete or not available.

DHR 1997-98 Recommended Continuation Budget
by Performance Budget Program Areas
($ in Millions)

75% of DHR's budget
is in Health and
24% is in Human Services.

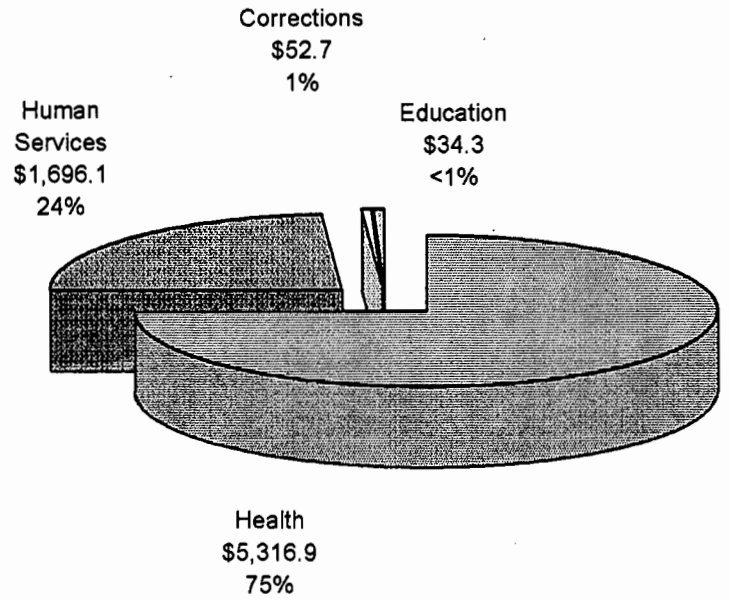


Chart 8
Total Budget

Of state appropriations,
79% is in Health
and 18% is in Human Services.

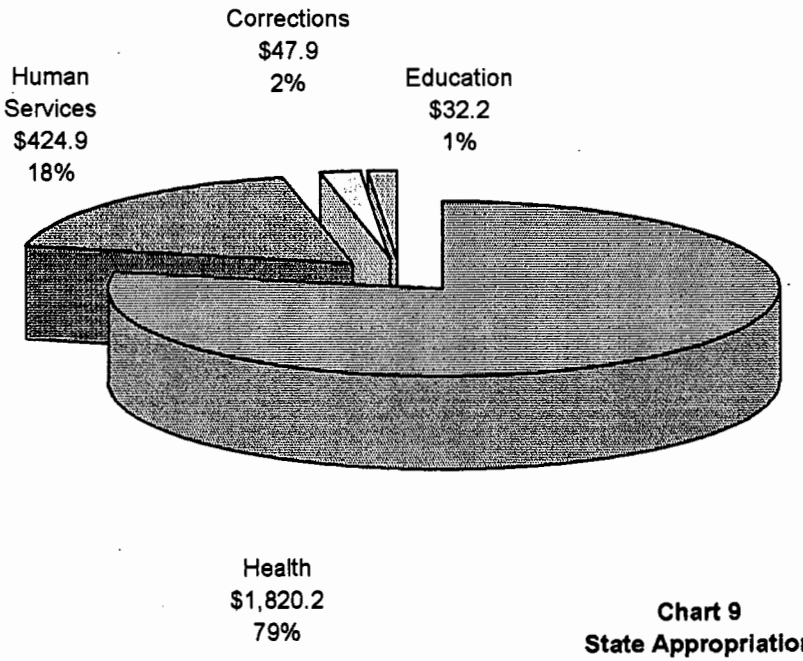


Chart 9
State Appropriation

87% of the State's total health budget is in DHR

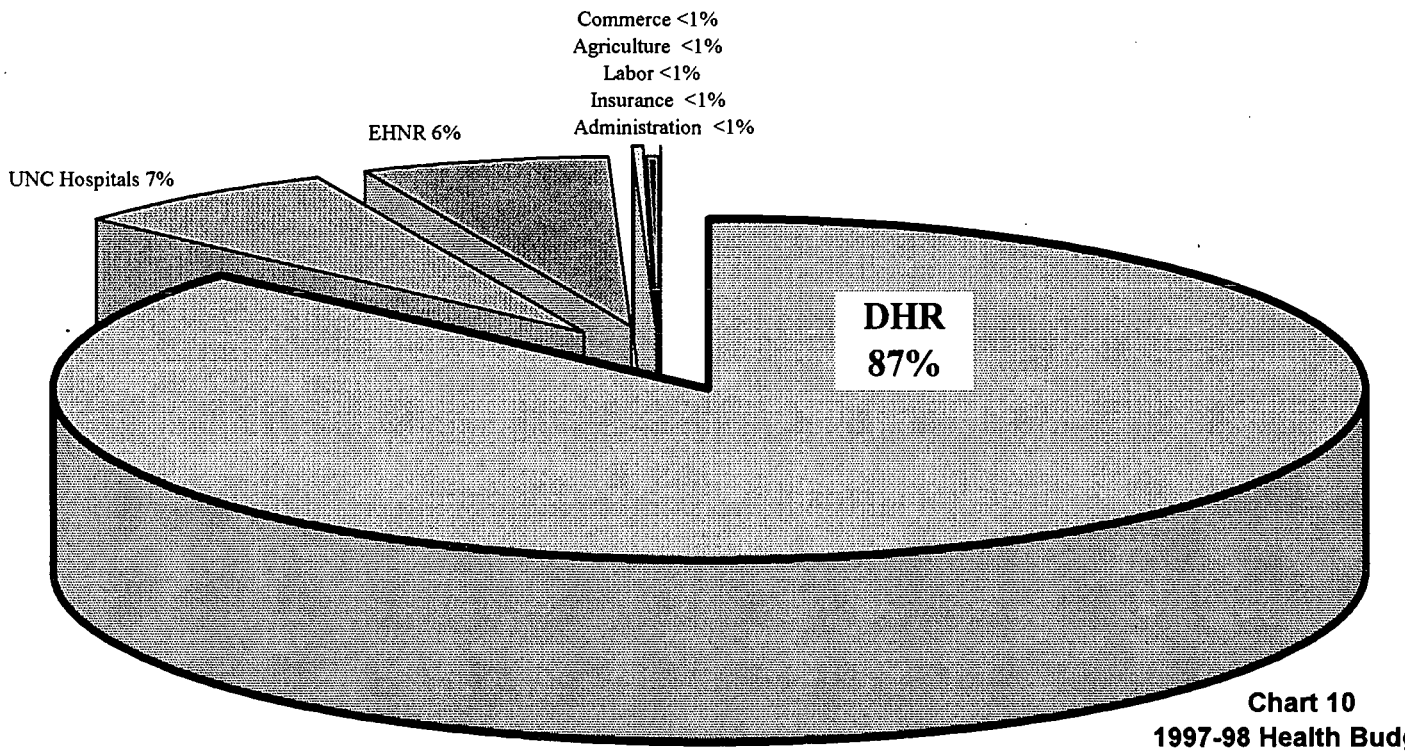


Chart 10
1997-98 Health Budget
by Department

Source: 1997-98 Biennium Recommended Continuation Budget Summary for Health; Office of State Budget and Management

Index of Charts

Chart 1	**DHR Operating Budget -1996-97 Total Budget**
Chart 2	**DHR Operating Budget -1996-97 State Appropriation**
Chart 3	**DHR Source of Funds - 1996-97**
Chart 4	**DHR Total Budget by Category - 1996-97**
Chart 5	**DHR Total Budget by Division - 1996-97**
Chart 6	**DHR Positions by Location and Function - 1996-97**
Chart 7	**DHR Growth in Budget and Clients vs. Positions 1981 - 1997**
Chart 8	**DHR 1997-98 Recommended Continuation Budget by Performance Budget Program Area Total Budget**
Chart 9	**DHR 1997-98 Recommended Continuation Budget by Performance Budget Program Area State Appropriation**
Chart 10	**1997-98 Health Budget by Department**

2/13/97

Introduction of DHR Management

Stephanie Bass - Chief of Staff

James Bernstein - Acting Assistant Secretary for Health Resources
- Responsible for the following divisions and offices:
- Division of Facility Services
- Division of Medical Assistance
- Division of Mental Health, Developmental Disabilities, and Substance Abuse Services
- Council on Developmental Disabilities
- Office of Rural Health

James Edgerton - Assistant Secretary for Budget and Management
- Responsible for the following divisions and offices:
- Division of Budget and Analysis
- Office of Controller
- Division of Information Resource Management
- Office of Internal Audit
- Town of Butner Administration

Peter Leousis - Assistant Secretary for Children, Youth, and Families
- Responsible for the following divisions and offices:
- Division of Child Development
- Division of Social Services
- Division of Youth Services
- Office of Economic Opportunity

Lynne Perrin - Assistant Secretary for Aging and Special Needs
- Responsible for the following divisions:
- Division of Aging
- Division of Services for the Blind
- Division of Vocational Rehabilitation
- Division of Services for the Deaf and Hard of Hearing

Steve Davis - Director, Division of Personnel Services
Equal Employment Opportunity

Lynne Garrison - Director, Public Affairs

Marc Lodge - Director, Legal Affairs

Angie McMillan - Director, Legislative and External Affairs
Citizen Services
Governmental Liaison Services
Grants Management
Americans with Disabilities Act

Bonnie Cramer - Director, Division of Aging

Frank Bobbitt - Director, Internal Audit

William Cox - Director, Division of Information Resource Management

John DeLuca - Director, Division of Services for the Blind

Stephanie Fanjul - Director, Division of Child Development

Kevin FitzGerald - Director, Division of Social Services

Craig Greene, Deputy Director, Division of Services for the Deaf and Hard of Hearing

Lee Kittredge - Director, Division of Budget and Analysis

Joyce Johnson - Director, Division of the Controller

Leslie Mann - Director, Citizen Services

Barbara Matula - Medicaid Program Advisor

Lynda McDaniel - Director, Division of Facility Services

Michael Pedneau - Director, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services

Dick Perruzzi - Acting Director, Division of Medical Assistance

Bob Philbeck- Director, Division of Vocational Rehabilitation Services

Holly Riddle - Director, Council on Developmental Disabilities

Richard Rideout, Deputy Director, Division of Youth Services

Lawrence Wilson - Director, Economic Opportunity

2/13/97

Department of Human Resources

Divisions and Their Roles

Central Management and Support directs operations and provides services for the department's agencies and institutions including personnel, fiscal and program monitoring, property control, and purchase and contract. The general public is kept informed through the public information and citizen affairs offices. The Division of Information Resource Management supports DHR's business and client record keeping needs using some of the most sophisticated computer systems in state government. The principal mission of the Office of Rural Health and Resource Development is to strengthen and reinforce health services in the state's rural areas by recruiting physicians and other health professionals to work in medically underserved communities. The Office of Economic Opportunity works to link families with private and public agencies and community organizations to locate the services they want and need. The North Carolina Council on Developmental Disabilities assesses and promotes interagency coordination of services for persons with developmental disabilities.

The Division of Aging acts as an advocate for the state's older adults and works closely with local agencies statewide to promote continued independent living for North Carolina's rapidly growing older adult population. Meal delivery, personal care, and help with finding jobs and volunteer opportunities are just some of the programs offered. Older adults and their families can also turn to the division for information about home care, adult day care, legal aid and other services available in their community.

The Division of Services for the Blind works to provide treatment, rehabilitation, education and independent living options for blind and visually impaired residents of North Carolina. The division helps people keep their job or find a new one through comprehensive vocational rehabilitation which provides counseling, guidance, job training and placement. The division also promotes the prevention of blindness through educational programs and operates the Governor Morehead School, the state's residential school for the blind, serving children from birth to age 21.

The Division of Child Development works to ensure safe and caring child care settings. Smart Start is a bold crusade initiated by Governor Jim Hunt to ensure that every child in North Carolina enters school healthy and ready to succeed. Smart Start's innovative approach uses state government as a catalyst to bring about real change at the local level in how children and their families are served. Through Smart Start, children will have access to quality, affordable child care, health care and other crucial services. The

division licenses, monitors and regulates child care programs across the state. The division provides technical assistance to help child care programs accommodate children with special needs, assists home child care providers in meeting safety standards and helps communities establish resource and referral agencies to help families find the child care services they need. The division also has programs to help low-income families pay child care expenses enabling the parents to continue working.

The Division of Services for the Deaf and Hard of Hearing helps the state's 600,000 deaf and hard of hearing citizens find the assistance and information they need. The division provides a broad range of services for children and adults, their families and the professionals who serve them. More than 770 children attend the three N.C. Schools for the Deaf, and regional resource centers help families through the first difficult years of dealing with hearing loss. The division also provides interpreter services, advocacy, access to technology and coordination of human services for the deaf and hard of hearing.

The Division of Facility Services plans for health care facilities and services through the State Medical Facilities Plan, allocates them through the Certificate of Need process, and inspects, licenses and/or certifies the physical facilities and operation of hospitals, nursing care facilities, mental health facilities, adult care homes, home care programs and other health facilities in order to assure safe, high quality care. The division also oversees the state's emergency medical services system, including certification of local EMS personnel, inspection of ambulances and designation of trauma centers. In addition, the division inspects jails and regulates charitable fund raising through licensure of solicitors and bingo operators.

The Division of Medical Assistance, through the Medicaid program, serves more than one million North Carolinians, including 530,000 children. People eligible to receive Medicaid include the elderly, blind and disabled, pregnant women, children and their caregivers. Medicaid, jointly administered and financed by federal, state and county governments, pays for a comprehensive array of services including doctor visits, hospital stays, prescription drugs, eye care, dental care, nursing home and in-home services. The division works to lower Medicaid costs and improve services through programs such as Carolina Access, which links Medicaid recipients with primary care doctors; Community Alternatives, which provides services that allow the elderly and disabled to stay in their homes and out of nursing homes; and Baby Love, which combats infant mortality through early prenatal and preventive health care.

The Division of Mental Health, Developmental Disabilities and Substance Abuse Services provides help and support to North Carolinians and their families suffering from mental illness, struggling with a drug or alcohol addiction or coping with a developmental disability. The division operates four regional psychiatric hospitals for

those who need inpatient psychiatric services, and oversees a network of mental health programs in communities across the state. The division also operates a Special Care Center for the elderly with serious medical and mental problems and operates three educational centers to meet the needs of children with serious emotional or behavioral disorders. The division also oversees residential and outpatient treatment at three alcohol and drug abuse treatment centers for those suffering from the effects of alcohol and drug addiction.

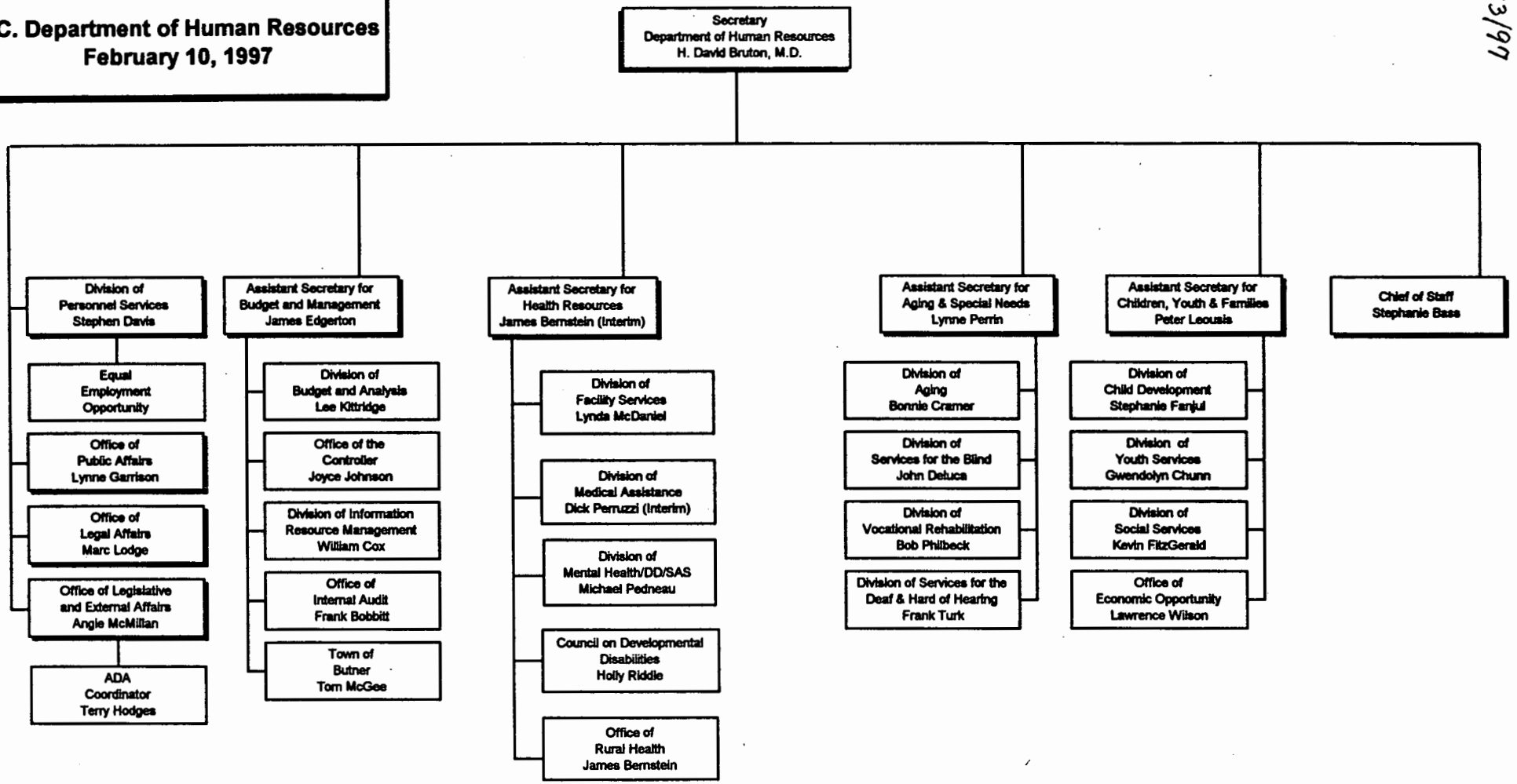
The Division of Social Services strengthens communities by strengthening families. Its primary focus is to help people get jobs and become self-sufficient. The division is responsible for implementation of the Governor's Work First Family Assistance Program, a major new welfare reform initiative. Social Services offices are located in each of the state's 100 counties and oversee programs such as Aid to Families with Dependent Children, food stamps, help with heating bills and employment programs. The division is also responsible for child support enforcement, foster care and adoption services, protective services for abused or neglected children and adults, adolescent parenting programs aimed at reducing teen pregnancies, and family preservation services.

The Division of Vocational Rehabilitation Service provides services to assist eligible persons with disabilities to achieve gainful employment, to have equal opportunity for career development and advancement, and/or to increase their ability to live independently. Job placement, job training, counseling and guidance are examples of the wide range of services available. In addition, the division operates the state's Disability Determination Services which processes disability claims for Social Security, Supplemental Security Income and Medicaid.

The Division of Youth Services places youngsters back on the right track. It oversees programs aimed at providing second chances, and comprehensive treatment and care for troubled youngsters between the ages of 7 and 17. The division offers assistance and funding to almost 500 community-based programs as well as non-institutional residential services such as wilderness camps and multipurpose juvenile homes. The division also operates five state-run training schools and seven secure detention centers, the latter serving as an alternative to adult jails for juvenile offenders awaiting trial and other short-term stays. The "Support Our Students" program works to combat juvenile crime through a public-private partnership that depends on volunteers to provide positive role models and offer youngsters after-school alternatives to the streets.

N.C. Department of Human Resources
February 10, 1997

2/13/97



2/13/97

Department of Human Resources Outcomes, Objectives, Outcome Measures, Strategies and Activities of the 1997 -1999 Budget

Table of Contents

			DHR #	Page
Mission Statement				1
Background				2
Health Program Area				7
Goal #I:	Protect the public health			7
	1100	Prevent diseases and promote health		7
		1130 **Health promotion**	1	7
Goal # II:	Maintain and improve health care access and treatment			8
	1400	Maintain and improve health treatment services		8
:		1420 Provide mental health services - institutional and community-based		8
		1421 **Emotional disturbances/mental illness**	2 - 4	8
		1422 **Willie M.**	5, 6	11
		1430 **Provide substance abuse services - institutional and community-based**	7 - 11	13
		1440 Provide developmental disability services - institutional and community-based		18
		1441 **Developmental disability treatment and support services**	12 - 14	18
		1442 **Thomas S.**	15	21
	1500	**Provide appropriate facilities and staff**	16 - 29	23
	1600	**Regulate and ensure fair access to health care**	30 - 32	37
Human Services Program Area				40
Goal #1:	Enable families and individuals to achieve maximum self-sufficiency and well-being			40
	2100	Strengthen and preserve families and protect children for harm		40
		Provide protective services for children	33, 34	40
		Assure the placement of children in the most appropriate setting	35 - 39	42
		Provide family support services to strengthen families	40 - 42	47
		Provide preventive and protective services for vulnerable adults	43 - 46	50
		Provide residential services for impaired or disabled adults	47 - 50	54
		Provide community-based services to the impaired or disabled and their families	51 - 57	58
		Provide community-based services for adolescent parents and/or vulnerable adults and families	58, 59	68
		Improve the self-sufficiency of the economically vulnerable	60 - 63	70

Note: Programs, subprograms and elements are highlighted to show where DHR objectives fall within the taxonomy.

		Subsistence Administration	64	75
		Strengthen family and parental responsibility of AFDC and nonAFDC families	65 - 74	76
	2200	**Support child care and early childhood development**	75 - 82	86
	2300	**Provide community-based services to prevent or correct delinquency**	83 - 88	94
	2400	**Provide general advocacy for vulnerable individuals or groups to protect their rights**	89	100
	2500	**Provide assistance to individuals to get and maintain employment**	90 - 94	101
	2700	**Provide subsistence to met basic needs**	95 - 97	110
Corrections Program Area				113
Goal #3:	Control and reform juvenile offenders.			113
	3500	**Training school facilities**	98 - 100	113
	3600	**Detention center funds**	101 - 105	116
Education Program Area				121
	7100	Provide an effective, high quality, equitable system of public K-12 school		121
		7110 Instruction, K-12		121
		7112 **Instruction in special K-12 Schools**	106 - 109	121

Note: Programs, subprograms and elements are highlighted to show where DHR objectives fall within the taxonomy.

DEPARTMENT OF HUMAN RESOURCES

Mission Statement

Building a stronger North Carolina by creating and continuously improving opportunities for

- **Health**
- **Social and Economic Well-Being**
- **Dignity**

for

- **Individuals**
- **Families**
- **Communities**

(G.S. 143B-136 through G.S. 143B-140)

The Department employed an integrated planning process in order to achieve consistency among the Department's Operational Plan, the Performance/Program Budget (P/PB), and the Information Technology Strategy. The starting point of the integrated planning process was the Department's mission statement and six goals. The six goal areas were selected as categories because they are reflective of the major client services where program funding is tied to a particular goal.

DHR Goal Areas

DHR Goal 1
Family Development, Support and Independence

The department (1) recognizes its vital role in encouraging the development of stable, nurturing and self-reliant families; (2) is committed to assisting families in their efforts to achieve and maintain health, social and economic well-being and self-respect; and (3) will strive to maximize family support and independence through the accomplishment of objectives which seek to ensure greater equity and accessibility of services, maximization of private sector involvement, and more effective and flexible use of resources.

DHR Goal 2
At-risk Children

The department is committed to identifying children under 18 years of age, with or at-risk for physical handicaps, developmental disabilities, substance abuse, delinquency, emotional illness, abuse or neglect, or who are vulnerable because of poverty, health problems, and the lack of supervision; to providing services to these children; and to strengthening their families. Prevention/early intervention and outreach services are the most cost-effective means to reverse the trends which place increasing numbers of children at-risk.

DHR Goal 3
Older Adults

The department is committed to identifying the needs of North Carolina's older adult population and, through leadership and coordination of federal, state and local efforts, to the provision of services and resources to meet the needs of older adults and their family caregivers.

DHR Goal 4
Individuals with Physical and Mental Disabilities

The department is committed to increasing the self-sufficiency of people (1) with severe and persistent mental illness; (2) who are substance abusers; (3) with developmental disabilities; and (4) with other disabilities including physical disabilities, blindness and deafness so that they may secure and maintain maximum independence, contribution and inclusion into the community.

DHR Goal 5
Health Quality and Access

The department is committed to the assurance of geographic and economic access to high quality, affordable health care by all citizens of the state. Optimum health contributes significantly to social and economic well-being as well as self-respect.

DHR Goal 6
Education

The department recognizes its vital role in assuring the development of comprehensive, cohesive and coordinated educational programs and schools in the Department of Human Resources. It is committed to a child-centered focus in assisting students and educators by maximizing local flexibility among our intermediate educational units and adhering to the legal and procedural mandates of state and federal law relating to children who have special needs.

The Department of Human Resources' budget is devoted to accomplishing objectives in four Performance Program Budget areas: Health, Human Services; Corrections, and Education.

P/PB Program Area

Health
The Health Program Area includes those state programs which protect the public health and maintain and improve health care access and treatment.

Human Service
The Human Services Program Area covers those state programs which enable families and individuals to achieve maximum self-sufficiency and well-being and protect the economic well-being of families and individuals.

Corrections
The Corrections Program Area contains those state programs which control adult offenders, rehabilitate adult offenders and control and reform juvenile offenders.

Education
The Education Program Area is comprised of those state programs which provide educational services in public kindergarten through twelfth grade schools, the community college system and the university system.

The chart below reflects the Divisions and Offices arrayed by the Performance/Program Budget areas and the DHR goal areas.

		P/PB PROGRAM			
		Health	Human Services	Corrections	Education
DHR GOAL	Family Development	– Medical Assistance – Mental Health, DD and SAS	– Office of Economic Opportunity – DD Council – Child Development – Services for the Deaf and Hard of Hearing – Social Services – Services for the Blind – Vocational Rehabilitation		
	At-risk Children	– Medical Assistance – Mental Health, DD and SAS	– Social Services – Child Development – Services for the Deaf and Hard of Hearing – Services for the Blind – Youth Services	– Youth Services	
	Older Adults	– Medical Assistance – Mental Health, DD and SAS	– Aging – Services for the Deaf and Hard of Hearing – Social Services – Services for the Blind – Vocational Rehabilitation		
	Physical & Mental Disability	– Medical Assistance – Mental Health, DD and SAS	– Services for the Deaf and Hard of Hearing – Services for the Blind – Vocational Rehabilitation		
	Health Quality and Access	– Office of Rural Health and Resource Development – Medical Assistance – Services for the Blind – Mental Health, DD and SAS – Facility Services			
	Education	– Mental Health, DD and SAS		– Youth Services	– Services for the Deaf and Hard of Hearing – Services for the Blind

Outcomes, Objectives, Outcome Measures, Strategies and Activities

The following is a report on objectives that are presented in the state's Performance Budget and administrative objectives that are unique to the Department. In each box is listed the P/PB taxonomy for the objective(s). After the name of the division, the expected outcome resulting from achieving the objecive is listed followed by the objective(s). Each P/PB objective is identified by a unique Department number and the P/PB program number. Administrative objectives which do not appear in the Performance Budget are not assigned a P/PB number. Following the objective are outcome measures which will be used to assess the objective. Current strategies and activities directed towards achievement of each objective are described. Finally, innovations which represent creative strategies and activities for improving services using current funding levels are identified.

To facilitate review and discussion of this report, definitions of key terms are listed below.

Outcome (aka expected outcome): a result, an impact on a problem, an effect on the customer or client, an accomplishment toward a policy commitment or what specific government activity or set of activities is trying to achieve. For example, in a healthy baby program, one outcome would be full-term healthy babies.

Objective: a clearly defined target or milestone which is aimed for in pursuit of a goal and related outcomes. an objective should be defined in measurable terms, be clearly related to an expected outcome, and be achievable in four to six years.

Outcome Measure: a type of performance measure representing the results of a specific government activity or set of activities. For example, in a healthy baby program, one outcome measure would be the percent of participating women who deliver normal weight babies. An outcome measure is directly related to an objective. The outcome measures are the tools to assess the objectives.

Strategy: way to reach objectives and get desired results. A strategy may be carried out through an activity or a group of activities. Strategies should be evaluated in terms of how well they contribute to outcomes and objectives.

Activities: an action or service the government performs. For example, in a healthy baby program, one activity is the counseling that is offered.

Innovation: progressive and creative strategies for improving current services, using current funding levels.

Administrative objective: an objective that does not appear in the PPB document and is more administrative in its focus. For example, an administrative objective would be "to decrease the amount of paper products used throughout the department by 25 percent."

Program Area:	Health
P/PB Goal #1:	Protect the public health
Program:	Prevent diseases and promote health
Subprogram:	**Health Promotion**

Division of Services for the Blind

Expected Outcome
The expected outcome is prevention of vision loss and, where possible, restoration of vision.

P/PB Objective # 1 (1420.--):
Reduce incidence of blindness.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Number of individuals who receive vision loss prevention and treatment services through the Medical Eye Care Program annually.	16,591	13,965	10,621	11,000	11,400	11,800

Description of strategies or activities directed toward this objective:
- Provide for eye examinations, treatment and/or surgery for vision restoration (DSB fund 1310)

Program Area:	Health
P/PB Goal # II:	Maintain and improve health care access and treatment
Program:	Maintain and improve health treatment services
Subprogram:	Provide mental health services - institutional and community-based
Element:	**Emotional disturbances/mental illness**

Division of Mental Health, Developmental Disabilities and Substance Abuse Services

Expected Outcome:
Mental Health services will be delivered in a manner that is effective, accessible, and responsive to the needs of clients of area mental health, developmental disabilities, and substance abuse programs in local communities and state psychiatric hospitals.

P/PB Objective # 2 (1421.01):
At least 80% of mental health clients and their families will be satisfied with the mental health services received.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Client/Family Satisfaction Rate-Child client with SED.	**N/A**	**N/A**	**86.9%**	**80.0%**	**80.0%**	**80.0%**
Client/Family Satisfaction Rate-Adult client with SPMI.	**N/A**	**N/A**	**88.0%**	**80.0%**	**80.0%**	**80.0%**

Description of strategies or activities directed toward this objective:
- Provide training to staff of local mental health centers on various aspects of service provision (DMHDDSAS funds 1290, 1291, 1513, 1532, 1840 and 1850)
- Analyze client and family satisfaction data (DMHDDSAS funds 1290, 1291, 1513, 1532, 1840 and 1850)
- Target programs that score below 80% satisfaction for additional training and technical assistance (DMHDDSAS funds 1290, 1291, 1513, 1532, 1840 and 1850)
- Develop the base line needed to establish quantitative targets for providing services to children with Serious Emotional Disturbance in the following areas: (a) types of services provided; (b) volume of services provided; (c) number of clients served; and (d) functional impairment of clients served. (DMHDDSAS funds 1290, 1291, 1513, 1532, 1840 and 1850)

Division of Mental Health, Developmental Disabilities and Substance Abuse Services

Expected Outcome:
State operated psychiatric hospitals will provide effective treatment.

P/PB Objective # 3 (1421.02):
Ninety percent (90%) of adults with severe and persistent mental illness who are involuntarily admitted to State hospitals and children with serious emotional disturbance who are treated in State Hospitals will show an increase in the level of functioning at discharge.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Percent of patients showing an increase in the level of functioning at discharge.	**N**	**N**	**97%**	**90%**	**90%**	**90%**

Description of strategies or activities directed toward this objective:
- Accurately assess each adult and child admission for level of functioning (DMHDDSAS funds 1220, 1230, 1240, and 1260,)
- Identify appropriate interventions, medications and course of treatment to increase level of functioning (DMHDDSAS funds 1220, 1230, 1240, and 1260)
- Carry out appropriate interventions (DMHDDSAS funds 1220, 1230, 1240, and 1260)
- Accurately assess each discharge for level of functioning (DMHDDSAS funds 1220, 1230, 1240, and 1260)

Expected Outcome:
Community based mental health treatment and services will enable adults with severe mental illness, and children with SED, to improve or maintain their ability to function in the community without being a danger to self or others.

P/PB Objective # 4 (1421.03):
Eighty percent (80%) of adults with severe and persistent mental illness and children with serious emotional disturbance, who receive mental health treatment and services from area MHDDSA programs, will either show improvement or maintain level of functioning, as evidenced by not requiring involuntary admission (adults)/admission (children) to a State psychiatric hospital within a 12 month period.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Percent of adults with SPMI not requiring involuntary admission to a State psychiatric hospital within a 12 month period.	**90.2 %**	**91.5%**	**91.8%**	**80%**	**80%**	**80%**
Percent of children with SED not requiring admission to a State psychiatric hospital within a 12 month period.	**98.2%**	**98.45**	**98.6%**	**80%**	**80%**	**80%**

Description of strategies or activities directed toward this objective:
- Increase and improve quality of community based services. (DMHDDSAS funds 1290, 1291, 1513, 1532, 1840, 1850)
- Analyze hospital admission data to assess readmission rates. (DMHDDSAS funds 1290 1291, 1513, 1532, 1840, 1850)
- Increase the number of persons with mental illness receiving community based care. (DMHDDSAS funds 1290 1291, 1513, 1532, 1840, 1850)

Program Area:	Health
P/PB Goal # II:	Maintain and improve health care access and treatment
Program:	Maintain and improve health treatment services
Subprogram:	Provide mental health services - institutional and community-based
Element:	**Willie M.**

Division of Mental Health, Developmental Disabilities and Substance Abuse Services

Expected Outcome:
As a result of involvement in treatment and other services provided through the Willie M. service system, class members will exhibit improved functioning.

P/PB Objective # 5 (1422.01):
Twenty-five percent (25%) of all certified Willie M. class members who are eligible to receive services will show improvement in all six life domains (educational, health, housing/residential, social, vocational, behavioral).

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Percent of Willie M. class members who show improvement in all six life domains as demonstrated by the Willie M Assessment & Outcome Instrument.	**N**	**N**	**N**	**25%**	**25%**	**25%**

Description of strategies or activities directed toward this objective:
- Create reliable measures of outcome according to established definitions. (DMH funds 1215, 1216 and 1217)
- Collect reliable data using tested instruments. (DMH funds 1215, 1216 and 1217)
- Analyze data in rigorous ways to find out accurate results. (DMH funds 1215, 1216 and 1217)
- Provide information feedback for corrective action when not meeting desired objectives. (DMH funds 1215, 1216 and 1217)

Innovations:
- Using clear theoretical orientations about resiliency theory that can help guide the design, implementation and analysis of instrument.

Expected Outcome:
As a result of involvement in treatment and other services provided through the Willie M. service system, class members will exhibit improved functioning.

P/PB Objective # 6 (1422.02):
Seventy-five percent (75%) of all certified Willie M. class members who are eligible to receive services will show improvement in at least one of the six life domains (educational, health, housing/residential, social, vocational, behavioral).

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Percent of Willie M. class members who show improvement in at least one of the six life domains as demonstrated by the Willie M Assessment & Outcome Instrument.	N	N	N	75%	75%	75%

Description of strategies or activities directed toward this objective:
- Create reliable measures of outcome according to established definitions. (DMH funds 1215, 1216 and 1217)
- Collect reliable data using tested instruments. (DMH funds 1215, 1216 and 1217)
- Analyze data in rigorous ways to find out accurate results. (DMH funds 1215, 1216 and 1217)
- Provide information feedback for corrective action when not meeting desired objectives. (DMH funds 1215, 1216 and 1217)

Innovations:
- Use clear theoretical orientations about resiliency theory that can help guide the design, implementation and analysis of instrument.

Program Area:	Health
P/PB Goal # II:	Maintain and improve health care access and treatment
Program:	Maintain and improve health treatment services
Subprogram:	**Provide substance abuse services - institutional and community-based**

Division of Mental Health, Developmental Disabilities and Substance Abuse Services

Expected Outcome:
Reduction in days of acute hospital care utilization.

P/PB Objective # 7 (1430.01):
At least 65% of clients receiving substance abuse treatment services will show a reduction in the annualized rate of the number of days of acute hospital care utilization for substance abuse, psychiatric, and medical disorders

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Percent of clients receiving substance abuse services showing a reduction in acute hospital care utilization for substance abuse, psychiatric and medical disorders for	**N**	**N**	**N**	**65%**	**65%**	**65%**

Description of strategies or activities directed toward this objective:
- Orient state institutions and area programs on use of SA Outcomes Assessments forms. (DMH funds 1410, 1411, 1420, 1421, 1430, 1431, 1440, 1441, 1490 and 1491)
- Identify clients to be included in Division sample survey. (DMH funds 1410, 1411, 1420, 1421, 1430, 1431, 1440, 1441, 1490 and 1491)
- Implement survey, analyze data, and report on findings. (DMH funds 1410, 1411, 1420, 1421, 1430, 1431, 1440, 1441, 1490 and 1491)

Innovations:
- Perinatal and Maternal Substance Abuse Programs, Adolescent Substance Abuse Regional 24-Hour Programs; Carolina Alternatives Medicaid Waiver Program.

Division of Mental Health, Developmental Disabilities and Substance Abuse Services

Expected Outcome:
Reduction in DWI reconvictions of DWI clients.

P/PB Objective # 8 (1430.02):
At least 70% of DWI clients completing substance abuse services will not be reconvicted of a subsequent DWI offense within two (2) years of conviction of the initial DWI offense.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Percent of DWI client completing substance abuse services not reconvicted for DWI offenses within two years.	**N**	**N**	**N**	**70%**	**70%**	**70%**

Description of strategies or activities directed toward this objective:
- Monitor completion of forms per State laws and rules and key data. (DMH funds 1410, 1411, 1490 and 1491)
- Provide daily consultation to offenders, attorneys, providers, and other states. (DMH funds 1410, 1411, 1490 and 1491)
- Develop and monitor annual evaluation contract to measure recidivism. (DMH funds 1410, 1411, 1490 and 1491)
- Analyze data, prepare reports for General Assembly, providers and others. (DMH funds 1410, 1411, 1490 and 1491)
- Support system refinements through training, rules and laws. (DMH funds 1410, 1411, 1490 and 1491)

Innovations:
- A quality assurance panel, comprised of volunteers from public and private DWI service providers is assisting DMHDDSAS in developing a protocol to provide due process to clients and others filing written complaints.

Division of Mental Health, Developmental Disabilities and Substance Abuse Services

Expected Outcome:
Reduction in crime.

P/PB Objective # 9 (1430.03):
At least 65% of clients admitted to substance abuse treatment services and/or enrolled in the Treatment Alternatives to Street Crime Program will show a reduction in annualized arrest rate.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Percent of substance abuse and/or TASC clients showing a reduction in incidence of client arrests (excluding traffic offenses other than DWI).	**N**	**N**	**N**	**65%**	**65%**	**65%**

Description of strategies or activities directed toward this objective:
- Orient state institutions and area programs on use of Substance Abuse Outcomes Assessment forms, and finalize ADM and DIS forms. (DMH funds 1410, 1411, 1420, 1421, 1430, 1431, 1440, 1441, 1490 and 1491)
- Identify clients to be included in Division sample survey. (DMH funds 1410, 1411, 1420, 1421, 1430, 1431, 1440, 1441, 1490 and 1491)
- Implement survey and review completed forms and key data. (DMH funds 1410, 1411, 1420, 1421, 1430, 1431, 1440, 1441, 1490 and 1491)
- Analyze data, and report on findings. (DMH funds 1410, 1411, 1420, 1421, 1430, 1431, 1440, 1441, 1490 and 1491)
- Provide feedback to local TASC programs, researchers and DMHDDSAS. (DMH funds 1410, 1411, 1420, 1421, 1430, 1431, 1440, 1441, 1490 and 1491)
- Refine system and provide technical assistance. (DMH funds 1410, 1411, 1420, 1421, 1430, 1431, 1440, 1441, 1490 and 1491)

Innovations:
- Bi-annual activity reports to be shared with TASC programs followed by technical assistance.

Expected Outcome:
Improvement of student academic performance.

P/PB Objective # 10 (1430.04):
At least 50% of children and adolescents admitted to substance abuse treatment services or enrolled in designated substance abuse primary prevention programs will attain measurable improvement in student academic performance in school.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Percent of students displaying an overall improvement in academic grade point average (GPA).	N	N	N	50%	50%	50%

Description of strategies or activities directed toward this objective:
- Orient area programs on use of SA Outcomes Assessments forms. (DMH funds 1410, 1411, 1490 and 1491)
- Identify clients to be included in Division sample survey. (DMH funds 1410, 1411, 1490 and 1491)
- Implement survey, analyze data, and report on findings. (DMH funds 1410, 1411, 1490 and 1491)

Innovations:
Perinatal and Maternal Substance Abuse Programs, Adolescent Substance Abuse Regional 24-Hour Programs; Carolina Alternatives Medicaid Waiver Programs.

Division of Mental Health, Developmental Disabilities and Substance Abuse Services

Expected Outcome:
Reduction in the use of alcohol and other drugs.

P/PB Objective # 11 (1430.05):
At least 50% of clients admitted to substance abuse treatment services will show a reduction in the rate of use of alcohol and other drugs.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Percent of substance abuse treatment services clients showing a reduction in use of alcohol and other drugs.	**N**	**N**	**N**	**50%**	**50%**	**50%**

Description of strategies or activities directed toward this objective:
- Orient area programs on use of SA Outcomes Assessments forms. (DMH funds 1410, 1411, 1420, 1421, 1430, 1431, 1440, 1441, 1490 and 1491)
- Identify clients to be included in Division sample survey. (DMH funds 1410, 1411, 1420, 1421, 1430, 1431, 1440, 1441, 1490 and 1491)
- Implement survey, analyze data, and report on findings. (DMH funds 1410, 1411, 1420, 1421, 1430, 1431, 1440, 1441, 1490 and 1491)

Innovations:
- Perinatal and Maternal Substance Abuse Programs, Adolescent Substance Abuse Regional 24-Hour Programs; Carolina Alternatives Medicaid Waiver Programs.

Program Area:	Health
P/PB Goal # II:	Maintain and improve health care access and treatment
Program:	Maintain and improve health treatment services
Subprogram:	Provide developmental disability services - institutional and community-based
Element:	**Developmental disability treatment and support services**

Division of Mental Health, Developmental Disabilities and Substance Abuse Services

Expected Outcome:
Person-centered developmental disabilities services will be provided so that each individual will have:

- active involvement in the community with support of family and friends;
- housing, work, training, education and recreation will be client need and desire appropriate;
- individuals and their families will be involved in treatment planning . Those residing in MR Centers will continue to move toward community placement.

P/PB Objective # 12 (1441.01):
At least 80% of individuals with developmental disabilities (DD) will show satisfaction with/participation in the following lifestyles: activities of daily living; housing options; and a variety of work/recreational alternatives.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Client/Family Satisfaction Rate.	**N**	**94.7%**	**NA**	**80%**	**80%**	**80%**

Description of strategies or activities directed toward this objective:

- Provide a Single Portal Process to assure consumers are involved in client centered planning (DMHDDSAS fund 1390)
- Assess waiting list data to assure clients are moving into needed services (DMHDDSAS fund 1390)
- Provide Early Intervention services (DMHDDSAS fund 1390)
- Redirect resources to develop and/or expand services contingent upon measured need (DMHDDSAS fund 1390)

Innovations:

- Family Support Pilots and Residential Subsidies

Division of Mental Health, Developmental Disabilities and Substance Abuse Services

Expected Outcome:
Person-centered developmental disabilities services will be provided so that each individual will have:

- active involvement in the community with support of family and friends;
- housing, work, training, education and recreation will be client need and desire appropriate;
- individuals and their families will be involved in treatment planning . Those residing in MR Centers will continue to move toward community placement.

P/PB Objective # 13 (1441.02):
Move 4% of the current population residing in Mental Retardation (MR) Centers to less intensive, more self reliant, community-based support systems.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Percent of MR Center residents moved to community-based support systems.	**5.3%**	**6.7%**	**5.0%**	**4.0%**	**4.0%**	**4.0%**

Description of strategies or activities directed toward this objective:

- Prepare MR Center clients to move to community (DMH funds 1390, 1320, 1330, 1340, 1350 and 1360)
- Develop community services for MR Center clients(DMH funds 1390, 1320, 1330, 1340, 1350 and 1360)
- Support movement of clients to communities through Center Outreach Programs (DMH funds 1390, 1320, 1330, 1340, 1350 and 1360)
- Maintain high quality services at MR Centers(DMH funds 1390, 1320, 1330, 1340, 1350 and 1360)

Innovations:

- Consumer Monitoring
- Specialized Units

Division of Mental Health, Developmental Disabilities and Substance Abuse Services

Expected Outcome:
Person-centered developmental disabilities services will be provided so that each individual will have:

- active involvement in the community with support of family and friends;
- housing, work, training, education and recreation will be client need and desire appropriate;
- individuals and their families will be involved in treatment planning . Those residing in MR Centers will continue to move toward community placement.

P/PB Objective # 14 (1441.03):
Move 2% of current children residing in MR Centers to less intensive, more self reliant, community-based support systems.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Percent of children residing in MR Centers moved into less intensive, more self reliant, community-based support systems.	**42.3%**	**39.1%**	**38.9%**	**26.7%**	**9.1%**	**9.1%**

Description of strategies or activities directed toward this objective:

- Expand early intervention services in community (DMH funds 1390, 1320, 1330, 1340, 1350 and 1360)
- Develop crisis intervention services for children (DMH funds 1390, 1320, 1330, 1340, 1350 and 1360)
- Prepare community for discharge through outreach (DMH funds 1390, 1320, 1330, 1340, 1350 and 1360)
- Develop community residential options for children (DMH funds 1390, 1320, 1330, 1340, 1350 and 1360)

Innovations:

- Family Preservation, Family Support, Respite

Program Area:	Health
P/PB Goal # II:	Maintain and improve health care access and treatment
Program:	Maintain and improve health treatment services
Subprogram:	Provide developmental disability services - institutional and community-based
Element:	**Thomas S.**

Division of Mental Health, Developmental Disabilities and Substance Abuse Services

Expected Outcome:
Thomas S. class members will receive services pursuant to the court order.

P/PB Objective # 15 (1442.01):
Sixty percent (60%) of the Thomas S. class members will receive appropriate services in community settings pursuant to the requirements of the court order.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Percent of the Thomas S. class members receiving appropriate services as measured by the Thomas S. Service Appropriateness Rate.	N	N	N	N	N	N

Description of strategies or activities directed toward this objective:

- Establish services and supports appropriate to the needs and preferences of class members. (DMHDDSAS fund 1315)
- Monitor services and supports implemented via approved service plans. (DMHDDSAS fund 1315)
- Train public and private providers, Area Program staff, class members and their families, and policy makers on the requirements of the Thomas S. court order, the delivery of appropriate services and supports, monitoring procedures and expected outcomes. (DMHDDSAS fund 1315)
- Support the infrastructure of the service delivery system through technical assistance, provider recruitment, and resource development to ensure the availability of appropriate services in community settings pursuant to the requirements of the court order. (DMHDDSAS fund 1315)
- Implement the Thomas S. Comprehensive Plan as approved by the court. (DMHDDSAS fund 1315)
- Report to the court and respond to court directives. (DMHDDSAS fund 1315)

Innovations:

- Implementation of the UCR-TS Revisions to unbundle service and supports to class members.
- Development and dissemination of a request for applications to seek innovative and creative proposals for meeting the objectives of the Thomas S. Comprehensive Plan. Projects will create additional community capacity for supporting class members and will demonstrate the utilization of existing generic resources to support the needs and preferences of class members cost efficiently.

Program Area:	Health and Safety
P/PB Goal #2:	Maintain and improve health care access and treatment
Program:	**Provide appropriate facilities and staff**

Office of Rural Health and Resource Development

Expected Outcome:
North Carolina's rural citizens will gain greater access to primary care medical services

P/PB Objective # 16 (1500.11):
Within six years, improve the availability of primary care services in 75% of North Carolina's medically-underserved rural counties. (As of July 1, 1996, there were 79 medically underserved counties.)

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Number of medically underserved counties with improved availability of primary care physicians.	**N**	**N**	**N**	**12**	**24**	**36**

Description of strategies or activities directed toward this objective:
- Determine the State's areas of greatest need and target those areas (DHR 1510)
- Provide incentives through loan repayments, residency loans, and bonuses to primary care providers willing to locate in the State's underserved rural areas (DHR 1510)
- Mount an aggressive recruitment campaign utilizing personal contacts, mass mailings, exhibiting at conferences, and close-in work with in-state primary care residencies. (DHR 1510)
- Assist communities in developing and implementing recruitment strategies (DHR 1510)

Office of Rural Health and Resource Development

Expected Outcome:
North Carolina's network of state-sponsored, community-owned rural health centers will provide a more cost-effective access point to primary care services for underserved rural citizens.

P/PB Objective # 17 (1500.12):
Within six years increase the overall productivity of the state-sponsored, community-owned network of rural health centers in medically-underserved areas by 350,000 patient visits.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Number of patient visits to the rural heath centers in medically underserved areas (in thousands).	**552**	**584**	**622**	**660**	**750**	**820**

Description of strategies or activities directed toward this objective:
- Provide technical assistance with practice management (DHR fund 1510)
- Provide appropriate provider staff through office recruitment effort (DHR fund 1510)
- Provide operational support to rural health centers (DHR fund 1510)
- Provide comprehensive practice assessments of rural primary care practices (DHR fund 1510)

Division of Facility Services

Expected Outcome:
The protection of the health, safety and welfare of the patients and residents being served by the health care facilities, agencies and programs that we regulate.

P/PB Objective # 18 (1500.01)
To improve quality of care and services available in hospitals, nursing homes, adult care homes, home care agencies, hospice agencies and local confinement facilities that the Division regulates through the achievement of 95% regulatory compliance of all these providers.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Percentage of services and facilities not experiencing one of the following actions against them during any given year:.						
1. adverse actions against licensees by Licensure or Certification Officials, or	96.9	96.8	97.2	96	96	96
2. civil monetary penalties imposed for past non-compliance or immediate and serious threat to patient health and safety due to non-compliance issues, or	96.9	97.4	97.4	96	96	96
3. their accreditation revoked, or local confinement facilities identified as having conditions that jeopardize the custody, safety. health or welfare of their inmates.	95	97	99	98	98	98

Description of strategies or activities directed toward this objective:
- Identify and disseminate reports on best practices to address areas of regulatory non-compliance. (DFS fund 1311)
- Encourage families, clients, advocates and other interested citizens to contact the Division when facilities are not in compliance to enable the Division to respond quickly to have facilities achieve compliance. (DFS fund 1311)
- Expand and fully implement the complaints telephone hotline. (DFS fund 1311)
- Monitor all existing jail operations and new jail construction projects to ensure compliance with jail construction standards. (DFS fund 1311)
- Implement and enforce new rules adopted by the Social Services Commission pursuant to G.S. 131D-4.3 (Senate Bill 864) for adult care homes which require training for personal care aides, clients assessment and case management. (DFS fund 1311)

Division of Facility Services

Expected Outcome:
Reduce the number of systemic deficient practices in hospitals, nursing homes, adult care homes, home care agencies, hospice agencies and local confinement facilities that the Division regulates.

P/PB Objective # 19 (1500.02)
By 2002, 95% of all hospitals, nursing homes, adult care homes, home care agencies, hospice agencies, and local confinement facilities will have quality assessment programs in place in which the facilities and agencies identify their own systemic problems and correct them without regulatory intervention.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Number of identified facilities and agencies who have quality assessment programs that identify and correct their own deficient practices without regulatory intervention.	**N**	**N**	**N**	**93.0%**	**94.0%**	**94.5%**

Description of strategies or activities directed toward this objective:
- Elicit participation by consumers, advocates, health professionals and providers in establishing priority care areas that commonly lead to systemic deficient practices. (DFS fund 1311)
- Develop modules based on these care areas that facility's quality initiative programs can utilize in preventing and correcting systemic deficient practices. (DFS fund 1311)
- Establish and implement data collection and monitoring systems based on criteria for measuring outcomes. (DFS fund 1311)
- Encourage the development and monitor the implementation of quality assurance procedures in all adult care homes. (DFS fund 1311)
- Encourage preventative maintenance programs, code and licensure compliance, and interaction with local building and fire officials to improve and/or maintain building safety and performance. (DFS fund 1311)

Division of Facility Services

Expected Outcome:
Reduce death, suffering, and disability for North Carolinians who suffer traumatic or medical emergencies outside of medical facilities.

P/PB Objective # 20 (1500.03)
Reduce death from out-of-hospital cardiac arrest by making Automatic External Defibrillators (AED) available in under 5 minutes to 80% of the state's population by the year 2002.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
The percentage of the state's population having access to AED in under 5 minutes.	N	N	N	65%	70%	75%

Description of strategies or activities directed toward this objective:
- Present evidence to the NC Medical Board that rules governing the use of AED should provide for widespread availability of the device while assuring public safety. (DFS fund 1511)
- Give priority for the purchase of AED's for local providers through the EMS System Development Grant Program. (DFS fund 1511).
- Develop rules regarding use of AED to be as non-restricting as possible while protecting public safety. (DFS fund 1511)

Division of Facility Services

Expected Outcome:
Reduce death, suffering, and disability for North Carolinians who suffer traumatic or medical emergencies outside of medical facilities.

P/PB Objective # 21 (1500.04)
By the year 2002, reduce the current rate of 0.634 trauma deaths per 1000.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Mortality rate of trauma per 1,000 population	N	.0635	.0634	.0633	.0632	.0631

Description of strategies or activities directed toward this objective:
- Develop rules or proposed legislation to codify the process for trauma center designation and to establish a comprehensive statewide trauma system. (DFS fund 1511)
- Develop a reporting system to collect data on trauma deaths and average length of stay for trauma patients. (DFS fund 1511)
- Encourage participation in the rule making process by distributing draft rules and conducting public meetings. (DFS fund 1511)

Division of Facility Services

Expected Outcome:
Ensure that North Carolina citizens and visitors have access to a safe and efficient EMS system which adheres to established North Carolina EMS standards.

P/PB Objective # 22 (1500.05)
Maintain access to basic life support (BLS) care in all 100 North Carolina counties.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Number of counties providing a minimum of basic life support out-of-hospital care.	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Description of strategies or activities directed toward this objective:
- Develop a customer "rules review committee" which meets at least annually to actively seek input from customers. (DFS fund 1511)
- Allow for and encourage public participation in the development of BLS standards for North Carolina EMS providers. (DFS fund 1511)

Division of Facility Services

Expected Outcome:
Ensure that North Carolina citizens and visitors have access to a safe and efficient EMS system which adheres to established North Carolina EMS standards.

P/PB Objective # 23 (1500.06)
Increase by 5% the number of EMS providers functioning at an advanced life support (ALS) level of care by the year 2002.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Annual percentage of out-of-hospital providers functioning at an advanced life support level of care.	**N**	**N**	**N**	**62.7%**	**65.8%**	**69.1%**

Description of strategies or activities directed toward this objective:
- Actively assist providers to successfully expand their level of care to Advanced Life Support. (DFS fund 1511)
- Conduct EMS system evaluations and make recommendations for system enhancement as requested by county government officials. (DFS fund 1511)

Division of Facility Services

Expected Outcome:
To ensure both economic and geographic access to high quality and cost effective health care services, and to promote their efficient utilization.

P/PB Objective # 24 (1500.07)
Monitor and regulate nursing home growth and development in order to assure that there are at least 35 nursing home beds per 1000 population aged 65 and older in 95 of the state's 98 counties that have nursing facility beds and that no more than five counties have more than 60 beds per 1000 population.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Number of counties with 35 or more nursing facility beds per 1000 population over age 65 by county.	**88**	**93**	**93**	**93**	**94**	**94**
Number of counties with more than 60 nursing facility beds per 1000 population over age 65.	**6**	**5**	**5**	**5**	**5**	**5**

Description of strategies or activities directed toward this objective:
- Provide forums and public hearings for participation of the public in the development of the State Medical Facilities Plan and review of Certificate of Need applications to assure services are developed to meet needs. (DFS fund 1711)
- Develop the annual State Medical Facilities Plan. (DFS fund 1711)
- Review Certificate of Need Applications and make decisions to approve or deny them. (DFS fund 1711)
- Adopt review criteria and apply them in the review of Certificate of Need Applications.
- Monitor development of approved projects to assure material compliance with conditions. (DFS fund 1711)

Division of Facility Services

Expected Outcome:
To ensure both economic and geographic access to high quality and cost effective health care services, and to promote their efficient utilization.

P/PB Objective # 25 (1500.08)
Through the year 2000, assure that the statewide average utilization rates do not drop below 60 percent for open heart surgery programs or 70 percent for fixed cardiac catherization services as a result of need determinations in the State Medical Facilities Plan (SMFP) or Certificates of Need (CON's) issued for additional services.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Annual Utilization Rates of open heart-surgery programs. (Data covers fiscal year October 1 through September 30.)	**58.0%**	**62.6%**	**NA**	**63.0%**	**63.5%**	**63.5%**
Annual Utilization Rates of fixed cardiac catheterization programs. (Data covers fiscal year October 1 through September 30.)	**71.0%**	**74.0%**	**NA**	**74.5%**	**74.5%**	**74.5%**

Description of strategies or activities directed toward this objective:
- Provide forums and public hearings for participation of the public in the development of the State Medical Facilities Plan and review of Certificate of Need applications to assure services are developed to meet needs. (DFS fund 1711)
- Develop the annual State Medical Facilities Plan. (DFS fund 1711)
- Review Certificate of Need Applications and make decisions to approve or deny them. (DFS fund 1711)
- Adopt review criteria and apply them in the review of Certificate of Need Applications. (DFS fund 1711)
- Monitor development of approved projects to assure material compliance with conditions. (DFS fund 1711)

Division of Facility Services

Expected Outcome:
To ensure both economic and geographic access to high quality and cost effective health care services, and to promote their efficient utilization.

P/PB Objective # 26 (1500.09)
Assure that the statewide average utilization rate through the year 2000 is at least 92% for nursing facility beds and is at least 95% for intermediate care facilities for the mentally retarded (ICF-MR's).

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Annual utilization rates for nursing facility beds. (Data covers fiscal year October 1 through September 30.)	**94.7%**	**94.7%**	**Not available**	**94.0%**	**94.0%**	**94.0%**
Annual utilization rates for ICF-MR beds. (Data covers fiscal year October 1 through September 30.)	**95.5%**	**98.9%**	**Not available**	**98.0%**	**98.0%**	**98.0%**

Description of strategies or activities directed toward this objective:
- Provide forums and public hearings for participation of the public in the development of the State Medical Facilities Plan and review of Certificate of Need applications to assure services are developed to meet needs. (DFS fund 1711)
- Develop the annual State Medical Facilities Plan. (DFS fund 1711)
- Review Certificate of Need Applications and make decisions to approve or deny them. (DFS fund 1711)
- Adopt review criteria and apply them in the review of Certificate of Need Applications. (DFS fund 1711)
- Monitor development of approved projects to assure material compliance with conditions. (DFS fund 1711)

Division of Facility Services

Expected Outcome:
To achieve the Division's outcomes and program objectives and offer non-profit and publicly owned health care facilities an economic alternative for capital financing.

P/PB Objective # 27 (1500.10)
Provide savings of approximately $35 million in annual debt service payments of health care facilities.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Annual debt service savings of health care facilities borrowing through the Medical Care Commission based on outstanding debt for the year in millions.	**$36.6**	**$35.7**	**$36.3**	**$37.0**	**$37.5**	**$38.0**

Description of strategies or activities directed toward this objective:
- Review Applications for financing through the Health Facilities Finance Act (DFS fund 1111)
- Issue tax-exempt bonds for projects approved by the Medical Care Commission (DFS fund 1111)
- Conduct financial and operational reviews of bond financed projects to assure fiscal integrity and compliance with Medical Care Commission guidelines. (DFS fund 1111)

Division of Facility Services

Administrative Objective # 28
Develop measurable objectives for each program unit within the Division of Facility Services and monitor progress in accomplishing the objective within the established timeframe.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Number of program units within the division with measurable objectives.						
Number of program units within the division which did not meet one or more objectives.						

Description of strategies or activities directed toward this objective:
- Work with each program unit to develop objectives (DFS fund 1111)
- Monitor progress in meeting objectives (DFS fund 1111)

Division of Facility Services

Administrative Objective # 29:
Revoke or prevent reissuance of solicitation licenses to professional solicitors and charitable organizations whose legal violations can be documented.
Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Number of licenses revoked or not reissued.						

Description of strategies or activities directed toward this objective:
- Educate charitable organizations in the legal aspects of conducting bingo. (DFS fund 1818)
- Work with local law enforcement officials to enhance enforcement bingo laws. . (DFS fund 1818)
- Collect and disseminate information concerning the collection and use of bingo receipts. . (DFS fund 1818)
- Review licensure applications and issue or deny licenses. . (DFS fund 1818)

Program Area:	Health
P/PB Goal #2:	Maintain and improve health care access and treatment
Program:	**Regulate and ensure fair access to health care**

Division of Medical Assistance

Expected Outcome:
Decrease health problems through early detection and treatments by increasing the number of children screened each year.

P/PB Objective # 30 (1600.01):
Increase the number of children screened for early detection and treatment of health problems by 3% each year.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Number of child screenings, unduplicated by federal fiscal year.	**171,326**	**182,214**	**187,680**	**193,310**	**199,109**	**205,082**

Description of strategies or activities directed toward this objective:
- Continue automation strategy to identify and notify families of need for health checks. (DMA fund 1310)
- Continue improving partnership efforts with local Health Check projects to enhance system performance. (DMA fund 1310)
- Build on existing outreach through multi-media plan. (DMA fund 1310)
- Continue provider recruitment efforts. (DMA fund 1310)
- Capture data and maintain Health Check participation in HMO's. (DMA fund 1310)

Division of Medical Assistance

Expected Outcome:
To improve access and quality of care, make managed care available to more Medicaid eligibles and to increase the use of managed care

P/PB Objective # 31 (1600.02):
Increase the number of Medicaid eligibles using managed care by 10% each year.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 96-97 Review	SFY 97-98 Projected	SFY 98-99 Projected
Medicaid eligibles enrolled in prepaid health plans. (Mecklenburg Project started in SFY 96-97.)	**5,265**	**5,189**	**5,213**	**30,000**		**40,000**	**48,000**
Medicaid eligibles enrolled in Carolina ACCESS (a managed care plan).	**127,042**	**188,553**	**260,519**	**330,519**		**400,000**	**470,000**

Description of strategies or activities directed toward this objective:
- Expand Carolina ACCESS to more counties (DMA fund 1310)
- Contract with HMO's to serve Medicaid eligibles in more counties (DMA fund 1310)
- Develop ACCESS II (DMA fund 1310)

Division of Medical Assistance

Expected Outcome:
Increase the availability and visibility of in-home services as an alternative for institutional services.

P/PB Objective # 32 (1600.03):
Of the total persons receiving Medicaid long term services in SFY 97-98 and SFY 98-99, 20% and 22% respectively will receive in-home services as an alternative.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Percentage of long term care Medicaid clients receiving in-home vs. institutional long term care services.	**12.3%**	**13.7%**	**16.7%**	**18%**	**20%**	**22%**

Description of strategies or activities directed toward this objective:
- Increase CAP slots. (DMA fund 1310)
- Provide education and support to local CAP/DA case managers. (DMA fund 1310)
- Assist local CAP/DA program expansion efforts. (DMA fund 1310)
- Streamline program procedures to expedite admission. (DMA fund 1310)

Program Area:	Human Services
P/PB Goal #1:	Enable families and individuals to achieve maximum self-sufficiency and well-being
Program:	Strengthen and preserve families and protect children for harm
	Provide protective services for children

Division of Social Services

Expected Outcome:
Known victims of child abuse and neglect are protected.

P/PB Objective # 33 (2100.01)
Increase by 2 percentage points the percentage of child victims of abuse and neglect without subsequent substantiation over a two year period by June 30, 2000.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
The percentage of child victims of abuse and neglect without subsequent substantiations.	N	N	N	N	N	N

NOTE: The baseline will be established in SFY 96-97.

Description of strategies or activities directed toward this objective:
- Investigate reports of abuse within 24 hours (DSS funds 1140, 1410, 1180, and 1480).
- Investigate reports of neglect and dependency within 72 hours (DSS funds 1140, 1410, 1180, and 1480).
- Increase public awareness (including awareness in children) (DSS funds 1140, 1410, 1180 and 1480).
- Identify risk factors in families with substantiated reports of abuse/neglect/dependency (DSS funds 1140, 1410, 1180, and 1480).
- Develop individual goals and treatment plans for reducing risk, complete with specific objectives and timeframes (DSS funds 1140, 1410, 1180, and 1480).
- Provide or coordinate the services needed to achieve the treatment goals (DSS funds 1140, 1410, 1180, and 1480).

Innovations:
Automation efforts are currently under development which will assist in the evaluation process of the data collected including revisions to the Central Registry.

Division of Social Services

Expected Outcome:
Known victims of child abuse and neglect are protected from subsequent abuse and neglect without being removed from their homes.

P/PB Objective # 34 (2100.02)
Increase by 2 percentage points the percentage of child victims of abuse and neglect without subsequent substantiation while remaining in their homes by June 30, 2000.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
The percentage of child victims of abuse and neglect without subsequent substantiation while remaining in their homes.	N	N	N	N	N	N

NOTE: The baseline will be established in SFY 96-97.

Description of strategies or activities directed toward this objective:
- Investigate reports of abuse within 24 hours (DSS funds 1140, 1410, 1180, and 1480).
- Investigate reports of neglect and dependency within 72 hours (DSS funds 1140, 1410, 1180, & 1480).
- Increase public awareness (including awareness in children) (DSS funds 1140, 1410, 1180 and 1480).
- Identify risk factors in families with substantiated reports of abuse/neglect/dependency (DSS funds 1140, 1410, 1180, and 1480).
- Develop individual goals and treatment plans for reducing risk, complete with specific objectives and timeframes (DSS funds 1140, 1410, 1180, and 1480).
- Provide or coordinate the services needed to achieve the treatment goals (DSS funds 1140, 1410, 1180, and 1480).

Innovations:
Automation efforts are currently under development which will assist in the evaluation process of the data collected including revisions to the Central Registry.

Program Area:	Human Services
P/PB Goal #1:	Enable families and individuals to achieve maximum self-sufficiency and well-being
Program:	Strengthen and preserve families and protect children for harm
	Assure the placement of children in the most appropriate setting

Division of Social Services

Expected Outcome:
Children in the legal custody or placement responsibility of a county DSS find a permanent home within twelve months.

P/PB Objective # 35 (2100.10)
Increase by 3 percentage points the percentage of children who leave DSS legal custody/placement responsibility within twelve months of entry by June 30, 2000.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Percent of children who leave DSS legal custody/placement responsibility within twelve months of entry.	**N**	**N**	**N**	**N**	**N**	**N**

NOTE: The baseline will be established in SFY 96-97.

Description of strategies or activities directed toward this objective:
- Develop and license foster care resources (DSS Funds - 1140, 1180, and 1480)
- Supervise children in foster care (DSS Funds - 1140, 1180, and 1480)
- Provide extra counseling and support for families and foster parents of children who are ill, disabled, or delinquent (DSS Funds - 1140, 1180, and 1480)
- Petition the courts to legally terminate parental rights when needed (DSS Funds-1140, 1180, & 1480)
- Make recommendations for children unable to return home (DSS Funds - 1140, 1180, and 1480)
- Increase the availability of appropriate foster care families (DSS Funds - 1140, 1180, and 1480)

Division of Social Services

Expected Outcome:
Children in the legal custody or placement responsibility of a county DSS find a permanent home within twelve months.

P/PB Objective # 36 (2100.11)
Decrease by one month the median length of stay in DSS custody/placement responsibility by June 30, 2000.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Median length of stay in DSS custody/placement responsibility.	N	N	N	N	N	N

Description of strategies or activities directed toward this objective:
- Develop and license foster care resources (DSS Funds - 1140, 1180, and 1480)
- Supervise children in foster care (DSS Funds - 1140, 1180, and 1480)
- Provide extra counseling and support for families and foster parents of children who are ill, disabled, or delinquent (DSS Funds - 1140, 1180, and 1480)
- Petition the courts to legally terminate parental rights when needed (DSS Funds - 1140, 1180, and 1480)
- Make recommendations for children unable to return home (DSS Funds - 1140, 1180, and 1480)
- Increase the availability of appropriate foster care families (DSS Funds - 1140, 1180, and 1480).

Expected Outcome:
Children in the legal custody or placement responsibility of a county DSS find a permanent home within twelve months.

P/PB Objective # 37 (2100.12)
Decrease by one month the median length of time between the termination of parental rights and the Final Order of Adoption by June 30, 2000.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Median length of time between the termination of parental rights and the Final Order of Adoption.	N	N	N	N	N	N

NOTE: The baseline will be established in SFY 96-97.

Description of strategies or activities directed toward this objective:
- Petition the courts to legally terminate parental rights when needed (DSS Funds - 1140, 1180, and 1480)
- Provide services to children in the process of being adopted (DSS Funds - 1140, 1180, and 1480)
- Increase the number of placements and adoptions with extended family members (DSS Funds - 1140, 1180, and 1480)
- Work to bring about increases in adoption board rates to increase the likelihood for quality adoptions of hard to adopt children (DSS Funds - 1140, 1180, 1480, and DOS Fund 2766
- Make recommendations for children unable to return home (DSS Funds - 1140, 1180, and 1480)

Expected Outcome:
Children who are removed from their homes for their protection are ensured stable, alternative living arrangements.

P/PB Objective # 38 (2100.13)
Increase by 2 percentage points the percentage of children in out-of-home placement who have been in no more than one out of home living arrangement while in DSS custody by June 30, 2000.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Percent of children in out-of-home placement who have been in no more than one out of home living arrangement while in DSS custody.	N	N	N	N	N	N

NOTE: The baseline will be established in SFY 96-97.

Description of strategies or activities directed toward this objective:
- Provide training to foster care and adoption social workers and families to assure quality of placements (DSS Funds - 1140, 1180, 1250, 1260, 1480)
- Increase the number of placements and adoptions with extended family members (DSS Funds - 1140, 1180, 1250, 1260, 1480)
- Work to bring about increases in foster care board rates to increase the likelihood for quality adoptions of hard to adopt children (DSS Funds - 1140, 1180, 1250, 1260, 1480)

Division of Social Services

Administrative Objective Number # 39:
Of the children in DSS custody and/or placement responsibility between July 1, 1996 and June 30, 1999, no more than 45% will be African American.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Percent of African-American children in DSS custody and/or placement responsibility.						

Description of strategies or activities directed toward this objective:
- Increase the number of placements and adoptions with extended family members. (DSS Funds-1140, 1180, 1250, 1260, 1480)
- Provide training to foster care and adoption social workers and families to assure quality placements of African American children. (DSS Funds-1140, 1180, 1250, 1260, 1480)
- Provide post adoption services to diminish disruptions. (DSS Funds-1140, 1180, 1250, 1260, 1480)
- Utilize private agencies, the media, and other resources to highlight the need for African American families. (DSS Funds-1140, 1180, 1250, 1260, 1480)

Innovations:
Automation efforts are currently under development which will assist in the evaluation process of the data collected including revisions to the Central Registry.

Program Area:	Human Services
P/PB Goal #1:	Enable families and individuals to achieve maximum self-sufficiency and well-being
Program:	Strengthen and preserve families and protect children for harm
	Provide family support services to strengthen families

Division of Social Services

Expected Outcome:
Families receiving family preservation services remain intact.

P/PB Objective # 40 (2100.20)
At least ninety percent (90%) of families receiving family preservation services will not have a child removed from their homes by June 30, 2000.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Percent of families receiving family preservation services which do not have a child removed from their homes.	**88%**	**90%**	**NA**	**91%**	**92%**	**92%**

Description of strategies or activities directed toward this objective:
- Provide training for new workers and advanced training for experienced workers. (DSS funds 1140, 1410, 1180, and 1480).
- Provide technical assistance and consultation to local programs. (DSS funds 1140, 1410, 1180, and 1480).
- Initiate family preservation services within 24 hours of referral. (DSS funds 1140, 1180, 1410, and 1480).
- Provide services needed to stabilize crisis and keep families together. (DSS funds 1140, 1180, 1410, and 1480).
- Increase public awareness of available services. (DSS funds 1140, 1410, 1180, and 1480).

Expected Outcome:
Families remain intact one year after receiving family preservation services.

P/PB Objective # 41 (2100.21)
At least 70% of families who received family preservation services remained intact one year after receiving services by June 30, 2000.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Number of families who remain intact 1 year after receiving family preservation services compared to the total number of families served.	**N**	**67%**	**NA**	**70%**	**72%**	**73%**

Description of strategies or activities directed toward this objective:
- Provide training for new workers and advanced training for experienced workers. (DSS funds 1140, 1410, 1180, and 1480).
- Provide technical assistance and consultation to local programs. (DSS funds 1140, 1410, 1180, and 1480).
- Initiate family preservation services within 24 hours of referral. (DSS funds 1140, 1180, 1410, and 1480).
- Provide services needed to stabilize crisis and keep families together. (DSS funds 1140, 1180, 1410, and 1480).
- Increase public awareness of available services. (DSS funds 1140, 1410, 1180, and 1480).

Division of Social Services

Expected Outcome:
Facilitate the social and economic adjustment of refugees settling in North Carolina.

P/PB Objective # 42 (2100.22)
By the year 2000, seventy percent of employable refugee customers will become economically self-sufficient.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
The number of refugee customers who are economically self-sufficient	**NA**	**504**	**432**	**425**	**400**	**375**

Description of strategies or activities directed toward this objective:
- Increase access to services for refugee families (DSS funds 1140, 1180, and 1480).
- Increase English language skills of refuge clients by 15 % by the year 2000 (DSS funds 1140, 1180, and 1480).

Program Area:	Human Services
P/PB Goal #1:	Enable families and individuals to achieve maximum self-sufficiency and well-being
Program:	Strengthen and preserve families and protect children for harm
	Provide preventive and protective services for vulnerable adults

Division of Social Services

Expected Outcome:
Reduction in the incidence of abuse, neglect and exploitation of vulnerable disabled and elderly adults.

P/PB Objective # 43 (2100.30)
Maintain at or below 5% repeated occurrences of abuse, neglect or exploitation of elder and disabled adults.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Adult Protective Services Recidivism	**7%**	**7%**	**7%**	**6%**	**5%**	**5%**

Description of strategies or activities directed toward this objective:
- Strengthen the ability of social services to evaluate and provide adult protective services (DSS funds 1140,1180 & 1480).
- Increase detection and reporting of abuse, neglect or exploitation of the elderly and disabled (DSS funds 1140,1180 & 1480).

Division of Aging

Expected Outcome:
Enhance quality of care and quality of life of residents of long-term care facilities.

P/PB Objective # 44 (2100.31):
By the year 2000, of those served through the Ombudsman program annually, at least 85% are satisfied with the quality of service they received.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Ombudsman program consumer satisfaction.	N	N	N	N	N	N

NOTE: Surveys and protocols for collecting this information are being developed.

Description of strategies or activities directed toward this objective:
- Educate adult care home and nursing home residents and their families about residents' Bill of Rights (Aging fund 1310)
- Provide technical assistance and/or training to nursing home and adult care home staff and volunteer community advisory committee members (Aging fund 1310)
- Increase public awareness about the Ombudsman program (Aging fund 1310)

Division of Aging

Expected Outcome:
Enhanced quality of care and quality of life of residents of long-term care facilities.

P/PB Objective # 45 (2100.32)
By the year 2000, at least 80% of complaints received annually by the Ombudsman program will be resolved through mediation and advocacy without needing to involve regulatory agencies.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Percent of complaints resolved through mediation and advocacy without needing to involve regulatory agencies.	**69%**	**76%**	**76%**	**77%**	**78%**	**79%**

Description of strategies or activities directed toward this objective:
- Educate adult care home and nursing home residents and their families about residents' Bill of Rights (Aging fund 1310)
- Increase public awareness about the Ombudsman Program (Aging fund 1310)
- Provide technical assistance and/or training to nursing home and adult care homes and volunteer community advisory committee members. (Aging fund 1310)
- Provide training on elder abuse prevention to human services professionals annually (Aging fund 1310)

Expected Outcome:
Homeless families will be provided emergency shelter.

P/PB Objective # 46 (2100.33):
Provide emergency shelter to 2,800 homeless families annually (average per day).

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
The number of homeless families provided emergency shelter (average per day).	**1,850**	**2,108**	**2,672**	**2,800**	**3,000**	**3,000**

Description of strategies or activities directed toward this objective:
- Provide Emergency Shelter Grants Program funds to local homeless shelters (DHR 1310).
- Assist local shelters in identifying additional program resources (DHR 1310).

Program Area:	Human Services
P/PB Goal #1:	Enable families and individuals to achieve maximum self-sufficiency and well-being
Program:	Strengthen and preserve families and protect children for harm
	Provide residential services for impaired or disabled adults

Division of Social Services

Expected Outcome:
Arrange and provide assisted living arrangements in a safe and emotionally stable environment consistent with elderly or disabled adults ability to function.

P/PB Objective # 47 (2100.40)
By the year 2000, increase by 5% the number of elderly or disabled adults receiving placement services from county departments of social services, consistent with their ability to function.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Number of elderly or disabled adults receiving placement services.	**2,255**	**2,891**	**2,562**	**2,604**	**2,464**	**2,690**

Description of strategies or activities directed toward this objective:
- Develop and use uniform screening and risk assessment tools to help assure the quality of placements (DSS funds 1140, 1180 & 1480)
- Provide adult placement services in all 100 counties (DSS funds 1180 & 1480)

Expected Outcome:
Improved health care and quality of life for heavy care residents living in adult care homes

P/PB Objective # 48 (2100.41)
By the Year 2000, 50% of heavy care residents and their families will be satisfied with the personal care services and case management rendered.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 96-97 Review	SFY 97-98 Projected	SFY 98-99 Projected
Percent of residents/families satisfied with personal care and case management services.	N	N	N	N		N	N

NOTE: Survey will be developed in SFY 96-97.

Description of strategies or activities directed toward this objective:

- Use of uniform assessment and care planning tools for personal care services by adult care homes. (DSS funds 1140, 1180 and 1480)
- Use of uniform assessment and service planning tools for case management services by local case management agencies. (DSS funds 1140, 1180 and 1480)

Division of Social Services
Division of Services for the Blind

Expected Outcome:
Provide timely placements for elderly and disabled adults needing out-of-home care in adult care homes,

PPB Objective # 49 (2100.42):
Place 90% of eligible State/County Special Assistance (S/CS) and Special Assistance for the Blind (SAB) applicants within 90 days of initial application.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Percent of blind applicants placed in adult care homes within 90 days of application (DSB)	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Percent of approved S/CSA applicants placed adult care homes within 90 days of initial application. (DSS)	**97.2%**					

Description of strategies or activities directed toward this objective:
- Ensure timely processing of all applications in order to assure timely placement (DSB fund 1210)
- Provide technical assistance and consultation to county departments of social services (DSS fund 1130)
- Develop and issue policy and procedural material to county staff (DSS fund 1130)
- Develop, implement and maintain automated systems support (DSS fund 1130)
- Promote use by local agencies of uniform assessment and service planning tools to help assure the appropriateness and quality of out-of-home placements. (DSS funds 1140,1180 & 1480)
- Provide adult placement services in all 100 counties (DSS funds 1180 & 1480)

Division of Social Services
Division of Services for the Blind

Expected Outcome:
Process applications for State/County Special Assistance for Adults and Special Assistance for the Blind in a timely manner for elderly and disabled adults needing care in adult care homes.

P/PB Objective # 50 (2100.43):
Determine eligibility for S/CSA and SAB for 90% of applicants within 45 days of initial application.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Percent of SAB applications approved/denied within 45 days of initial application.(DSB)	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Percent of S/C SA applicants approved/denied payments within 45 days of application. (DSS)	**95%**	**95%**	**95%**	**95%**	**95%**	**95%**

Description of strategies or activities directed toward this objective:
- Ensure timely processing of all applications in order to assure timely placement (DSB fund 1210)
- Provide technical assistance and consultation to county departments of social services (DSS fund 1130)
- Develop and issue policy and procedural material to county staff (DSS fund 1130)
- Develop, implement and maintain automated systems support (DSS fund 1130)
- Update eligibility application forms and instructions in a timely manner when eligibility criteria are changed by the General Assembly (DSS funds 1140, 1180, 1230, &1480)
- Provide technical assistance to local agencies when eligibility decisions are not made within the 45 day time period (DSS funds 1140, 1180, &1480)

Program Area:	Human Services
P/PB Goal #1:	Enable families and individuals to achieve maximum self-sufficiency and well-being
Program:	Strengthen and preserve families and protect children for harm
	Provide community-based services to the impaired or disabled and their families

Division of Aging
Division of Services for the Deaf and Hard of Hearing
Division of Social Services
Division of Services for the Blind
Division of Vocational Rehabilitation

The expected outcome is that safe and stable at-home living arrangements for impaired older adults will result in maintenance or improvement of daily functioning, reduced incidence of abuse and neglect, and strengthened family caregiving, that individuals with hearing or vision loss with proper training, assistive aids and appliances, and in-home services can remain independent, and that the number of impaired people requiring institutional care is reduced. Adults with a hearing loss will achieve a greater and more comprehensive level of self advocacy.

P/PB Objective # 51 (2100.50):
By the year 2000, increase by 10% the number of impaired individuals receiving supportive services resulting in maintenance or improvement of daily functioning and living more independently and strengthened family caregiver.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Number of frail older adults receiving supportive services and living independently at home consistent with their ability to function (Aging)	**8,041**	**8,202**	**8,822**	**9,947**	**10,649**	**10,966**
Number of impaired older adults receiving supportive services and living independently at home consistent with their ability to function (Aging)	**NA**	**NA**	**22,522**	**24,500**	**26,000**	**26,500**

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Number of older adults satisfied with services designed to provide greater independence (measure under development) (DSD/HH)	N	N	N	N	N	N
Number of impaired individuals using in-home care and living independently at home consistent with their ability to function. (DSS)	12,751	13,168	12,698	?	13,545	13,968
Number of blind and visually impaired people who can continue to care for themselves in their homes. (DSB)	5,362	5,413	5,456	5,522	5,500	5,500
Number persons with severe disabilities living more independently after receiving services. (DVR)	449	597	874	850	885	945

Description of strategies or activities directed toward this objective:

- Assess the appropriateness of in-home and community-based services for 100% of older or disabled adults seeking assistance (Aging-funds 1110 & 1210, (DSB funds 1315 & 1410, DSD/HH fund 1501, DSS funds 1140, 1180 & 1480, DVR funds 1303 & 1305)
- Support frail or older adults and their caregivers by increasing by 2% per year through 2000, the number receiving home delivered or congregate meals (Aging-funds 1110&1210 and DSS funds 1140, 1180 & 1480)
- Provide training to service providers and family caregivers to be better prepared to serve/care for victims of Alzheimer's disease and other dementia's (Aging funds 1110 & 1210)
- Increase the number of senior centers providing comprehensive health and wellness programs by 2% per year by the year by the year 2000. (Aging funds 1110 & 1210)
- Increase the number of families receiving respite care services (Aging funds 1110&1210)
- Advocacy training programs (DSD/HH fund 1501)
- Access to interpreter services and assistive technology (DSD/HH fund 1501)
- Provide training to caregivers/providers (i.e., doctors, nurses, hospital staff, long term care staff) (DSD/HH fund 1501)
- Provide skill training for a persons adjustment to blindness (DSB Fund 1410)
- Provide adaptive aids and appliances (DSB Fund 1410)
- Provide quality in-home aide services for eligible visually impaired consumers (DSB fund 1315)

- Establish a comprehensive statewide program -- fully staffed and adequately funded to serve eligible persons with severe disabilities with sufficient support services funds to meet demands and maximize independence. (DVR fund 1305)
- Emphasize the total person - physical, psychological, social needs for total integration into their respective communities. (DVR fund 1305)
- Collaborate with other agencies/organizations interested in serving persons with disabilities to utilize resources most effectively and efficiently. (DVR fund 1305)
- Enhance customer satisfaction survey and focus group activity to identify customer satisfaction level, thus improving staff - customer relationships and ensuring consumer choice. (DVR fund 1305)
- Implement policies and procedures to improve service delivery time. (DVR fund 1305)
- Assure the availability of a core set of services needed by functionally impaired adults in all 100 counties (DSS funds 1140, 1180 & 1480).
- Improve access to services, including transportation (DSS funds 1140, 1180 & 1480).
- Maximize the use of Medicaid funding for adult day health care and personal care services (DSS funds 1140, 1180 & 1480).

Innovations:

- Specialized outreach programs for the hard of hearing (DSD/HH fund 1501)
- Specialized outreach programs older adults with hearing loss (DSD/HH fund 1501)
- Internet access to DSD/HH web page of deaf and hard of hearing services (DSD/HH fund 1501)

Expected Outcome:
To maintain/improve the daily functioning levels of incompetent adults and reduce incidence of abuse, neglect and exploitation.

P/PB Objective # 52 (2100.51)
By the year 2000, expand the availability of guardianship services to older and disabled adults by 100% to meet the statutory requirement for this service. [G.S. 35A-1213(d)]

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Number of public agent guardianship clients.	**1,669**	**1,825**	**2,650**	**2,995**	**3,384**	**3,823**

Description of strategies or activities directed toward this objective:
- Expand the number of guardianship resources available in counties (DSS funds 1140,1180 &1480)

Division of Services for the Deaf and Hard of Hearing
Division of Vocational Rehabilitation

Expected Outcome:
Deaf, deaf/blind and hard of hearing older adults will have equal access to services through equal access to communications.

P/PB Objective # 53 (2100.52):
Increase the number of impaired individuals who have equal access to all modes of assistive technology.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Number of individuals receiving assistive technology (DSD/HH)	N	N	N	N	N	N
Number of consumers and families served through assistive technology services and support.(DVR)	5,662	5,078	5,629	5,660	5,660	5,660

Description of strategies or activities directed toward this objective:
- Provide assistive technology programs and training (DSD/HH fund 1501)
- Provide interpreter training and assessment, and classification programs (DSD/HH fund 1501)
- Maintain Internet access to DSD/HH web page (DSD/HH fund 1501)
- Provide training to caregivers/providers (i.e., doctors., nurses, hospital staff, long term care staff) (DSD/HH fund 1501)
- Develop and disseminate information about Assistive Technology. (DVR fund 1303)
- Establish regional technology resource centers to enable disabled customers and other interested publics to experience the different types of assistive aids/devices before purchasing. (DVR fund 1303)
- Provide individual and program technical assistance. (DVR fund 1303)
- Provide training, funding assistance, and advocacy that enables persons with disabilities to make informed choices regarding personal use of Assistive Technologies. (DVR fund 1303)
- Develop additional referral sources/mechanisms and increase rural and minority outreach activity. (DVR fund 1303)

Division of Services for the Deaf and Hard of Hearing

Expected Outcome:
Decrease the number of clients who receive disability income.

P/PB Objective # 54 (2100.53):
By the year 2000, increase by 5% per year the number of eligible unemployed clients reporting to the Regional Resource Centers who become gainfully employed.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
The number of eligible unemployed clients reporting to the Regional Resource Centers who become gainfully employed.	N	N	N	N	N	N

Description of strategies or activities directed toward this objective:
- Advocacy training programs for consumers and service providers (DSD/HH fund 1501)
- Hard of hearing programs (DSD/HH fund 1501)
- Outreach programs (DSD/HH fund 1501)
- Provide access to interpreter services and assistive technology (DSD/HH fund 1501)
- Continue cooperative programs with DVR, NC Schools for the Deaf, and other agencies (DSD/HH fund 1501)

Division of Aging

Administrative Objective # 55:
Increase, on an annual basis, the number of counties with Grandparent Support groups to enable grandparents who are serving as primary caregivers of grandchildren to have access to quality information and support.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Number of counties with Grandparent Support groups.						

Description of strategies or activities directed toward this objective:

- Link efforts with child day care centers, public schools, Smart Start, Head Start, SOS, senior centers, aging agencies, etc. to facilitate development of support groups where needed (Aging fund 1110)
- Develop and update as necessary, a Grandparent Resource Handbook for use by Support Groups/aging network agencies such as senior centers/information and referral agencies, etc. (Aging fund 1110)
- Seek private foundation funding to financially support development of support groups locally (Aging fund 1110)
- Seek private foundation to establish a Grandparent Resource Center within the Division of Aging as a point of contact for consumers and community agencies interested in or providing services targeted to Grandparents raising grandchildren. (Aging fund 1110)
- Develop for consumers, a "pocket" telephone directory of toll-free and other phone numbers that can be helpful to grandparents needing information/services related to raising their grandchildren (Aging fund 1110)

Division of Aging

Administrative Objective # 56:
Prepare family caregivers and paid care providers to be better prepared to care for victims of Alzheimer's Disease and related disorders.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Number of family/informal caregivers trained.						
Number of training sessions provided annually for service professionals.						

Description of strategies or activities directed toward this objective:

- Provide training sessions on dealing with Alzheimer's/dementia victims for service agencies/adult care home/nursing home staff, etc. (Aging fund 1110 & 1210)
- Provide information/training resources/technical assistance to rural health centers to better enable rural health centers to diagnose Alzheimer's disease and other related disorders as well as appropriately care for these persons and help families to deal with behavior and physical impairment associated with Alzheimer's and/or other related dementia's. (Aging fund 1110 & 1210)
- Develop and disseminate a training curriculum and competency testing tool for use by in-home aide agencies, day care providers, adult care homes for training personal care aides to more effectively deal with victims of Alzheimer's and other dementia's and support their family caregivers. (Aging fund 1110 & 1210)

Innovations:

- Develop and implement a service standard to reimburse group respite programs to make short term social model respite available in communities where adult day care programs are not feasible.

Division of Aging

Administrative Objective 57.1:
Increase, on an annual basis, the number of persons age 55 and older who participate in the North Carolina senior Games programs to promote their health and wellness.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
The number of older adults prticipating in Senior Games activities						

Description of strategies or activities directed toward this objective:
- Increase the number of local Senior Games which focus on providing exercise and physical fitness activities (Aging fund 1110)
- Increase the number of local silver-Strider walking programs (Aging fund 1110)
- Increase the number of Silver Arts programs which promote older adult participation in visual, literary, heritage and performing arts activities (Aging fund 1110)
- Increase the number of health education programs offered by North Carolina Senior Games (Aging fund 1110)

Division of Aging

Administrative Objective 57.2:
By December 1996, establish a home page for the Division of Aging on the internet to provide computer access to older adults, caregivers, aging professionals and others about aging services and resources.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Feedback from users indicating satisfaction with quality and quantity of information available.						

Description of strategies or activities directed toward this objective:
- Identify and develop/compile scope of content for inclusion on the home page. (Aging fund 1110)
- Coordinate with outside agencies as needed to operationalize technology for home page access via internet. (Aging fund 1110)
- Provide opportunity for user input regarding consumer satisfaction with home page. (Aging fund 1110)

Program Area:	Human Services
P/PB Goal #1:	Enable families and individuals to achieve maximum self-sufficiency and well-being
Program:	Strengthen and preserve families and protect children for harm
	Provide community-based services for adolescent parents and/or vulnerable adults and families

Division of Social Services

Expected Outcome:
Women and adolescents experiencing problem pregnancies will have a greater likelihood of having a healthy birth.

P/PB Objective # 58 (2100.60)
By the year 2000, increase by 10% the occurrence of healthy births to women and adolescents experiencing problem pregnancies.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Number of healthy births to women and adolescents experiencing problem pregnancies.						

Description of strategies or activities directed toward this objective:
- Maintain adequate resources for women and adolescents experiencing problem pregnancies (DSS funds 1140, 1410, 1180, and 1480).
- Increase maternity home placements by 20% by year 2000 (at current funding levels) (DSS funds 1140, 1410, 1180, and 1480).

Expected Outcome:
Adolescent parents will not have another child while participating in the program thus allowing them to concentrate on completing their education and improving their parenting skills.

P/PB Objective # 59 (2100.61)
By the year 2000, 90% of Adolescent Parenting Program participants will not experience a second pregnancy during program participation

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Percent of teens receiving DSS services who do not have a second or higher order pregnancy.	**91%**	**92%**	**92%**	**90%**	**90%**	**90%**

Description of strategies or activities directed toward this objective:
- Provide family planning counseling and referrals to family planning services (DSS funds 1140, 1410, 1180, and 1480).
- Increase to 75% the percent of pregnant teenage customers and adolescent parents who complete high school (or equivalent) by age 20. (DSS funds 1140, 1410, 1180, and 1480).
- Local coordinator advocates for teen in community systems. (DSS funds 1140, 1410, 1180, and 1480).
- Match teen with mature volunteer mentor/role model. (DSS funds 1140, 1410, 1180, and 1480).
- Teen participates in educational/support group meetings monthly. (DSS funds 1140, 1410, 1180, and 1480).

Program Area:	Human Services
P/PB Goal #1:	Enable families and individuals to achieve maximum self-sufficiency and well-being
Program:	Strengthen and preserve families and protect children for harm
	Improve the self-sufficiency of the economically vulnerable

Division of Aging

Expected Outcome:
Increase the ability of older adults to obtain basic necessities, reduce unemployment and underemployment, and the accompanying dependence on public programs.

P/PB Objective # 60 (2100.70):
By the year 2000, increase by 20% the number of Senior Community Service Employment program enrollees age 55 to 64 who are transitioned to unsubsidized employment.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
1. Percent of SCSEP enrollees transitioned to unsubsidized employment	**NA**	**NA**	**16%**	**18%**	**19%**	**19%**

Description of strategies or activities directed toward this objective:
- Place individuals in unsubsidized employment. (Aging fund 1110 & 1210)
- Provide enrollees with skills training, training regarding job search/interview skills (Aging fund 1210)
- During recruitment, orientation and in-service education, place more emphasis on the goal of transitioning participants to unsubsidized employment. (Aging fund 1210)
- Recruit increased numbers of participants between ages 55-65. (Aging fund 1110 & 1210)
- Provide technical assistance, coordination of training and quality control of service delivery (Aging funds 1110 &1210)

Expected Outcome:
Through subsidized employment in public and private non-profit community service agencies, low-income older adults will increase their income and prepare for unsubsidized employment.

P/PB Objective # 61 (2100.71):
Increase the income of low-income older adults through subsidized community service employment while preparing for unsubsidized employment.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Number of older adults actively participating in subsidized community service employment.	**456**	**439**	**440**	**414**	**414**	**414**

Description of strategies or activities directed toward this objective:
- Provide technical assistance to providers to maximize use of federally allotted spaces available participants (Aging-fund 1110)
- Provide technical assistance, coordination of training and quality control of service delivery (Aging fund - 1110 and 1210)

Division of Aging

Administrative Objective #62.1:
Promote increased employment opportunities for older workers.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected

Strategies or activities directed toward this objective:

- Work with the Department of Commerce and Workforce Development Board to develop economic incentives for recruiting new business and industry to the state that hire and promote older workers.
- Link efforts with the Governor's commission on Workforce Development to ensure one-stop centers include strategies for serving older workers in their long-range plans.
- Work with the Employment Security commission to conduct a statewide survey of older workers to determine number of older adults seeking employment and where those looking for jobs live. Data will be analyzed and shared with local employment and aging agencies.
- Conduct a public awareness campaign targeting local chambers of commerce to encourage businesses to hire older adults.
- Work with the Department of Transportation to address lack of transportation, particularly in rural areas, which affects the ability of many older workers to become employed.

Division of Aging

Administrative Objective #62.2:
Establish a Senior Education Corps program in all 100 counties.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Number of counties with operational Senior Education Corps programs.						

Strategies or activities directed toward this objective:

- Identify a volunteer Senior Education Corps coordinator in every county to serve as a liaison between the Division of Aging and the county to facilitate program development and implementation.
- Identify a local agency to assume responsibility for volunteer recruitment; coordination with appropriate school officials for volunteer assignments and placement; and volunteer retention and recognition.
- Track status of counties regarding development and implementation phases with goal of having Senior Education Corps volunteers serving in all 100 counties by the year 2000.

Office of Economic Opportunity

Expected Outcome:
Low-income families will become more economically self-sufficient.

P/PB Objective # 63 (2100.72):
Of all families participating in Community Services Block Grant Program, 28% will achieve economic self sufficiency with incomes above the poverty level annually.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
The number of participant families whose income increased above the federal poverty level.	**1,213**	**1,576**	**1,612**	**1,700**	**1,800**	**1,800**

Description of strategies or activities directed toward this objective:
- Provide Community Services Block Grant to local Community Action Agencies. (DHR Fund 1310)
- Assist local agencies in identifying additional resources. (DHR Fund 1310)
- Provide training and technical assistance to local grantees. (DHR Fund 1310)

Program Area:	Human Services
P/PB Goal #1:	Enable families and individuals to achieve maximum self-sufficiency and well-being
Program:	Strengthen and preserve families and protect children for harm
	Subsistence Administration

Division of Social Services

Expected Outcome:
The ability to obtain basic necessities through food assistance programs (such as commodity distribution and food stamps)

P/PB Objective # 64 (2100.80)
Raise the nutritional level of eligible household members to the United States Department of Agriculture (USDA) Thrifty Food Plan consumption standards.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Average number of individuals and families receiving food stamps.		**257,550**	**260,551**	**265,052**	**266,989**	**262,325**

Description of strategies or activities directed toward this objective:
- Provide Food Stamps timely for 97% of all normal applications. (DSS funds 1130, and 1180)
- Provide emergency Food Stamps timely for 100% of the applications that qualify for emergency services. (DSS funds 1130, and 1180)
- Implement federal benefit standards timely. (DSS funds 1130, and 1180)
- Increase local efforts to identify and notify eligible households of the availability of food assistance through the food stamp program. (DSS funds 1130, and 1180)

Innovations:
- Recruit eligible households by emphasizing the benefits of participating in the Food Stamp Program
- Develop and support nutritional education programs that emphasize good diet and smart purchases with food stamp purchases.

Program Area:	Human Services
P/PB Goal #1:	Enable families and individuals to achieve maximum self-sufficiency and well-being
Program:	Strengthen and preserve families and protect children from harm **Strengthen family and parental responsibility of AFDC and nonAFDC families**

Division of Social Services

Expected Outcome:
A decrease in the number of individuals applying for Work First Family Assistance

P/PB Objective # 65 (2100.90)
By June 2001, divert 10% of potential applicants for Work First by providing these individuals with the Work First Diversion Grant

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Percentage of potential work First applicants diverted.	N	N	N	N	N	N

NOTE: Data will be collected beginning SFY 96-97.

Description of strategies or activities directed toward this objective:

- Educate department of social services staff about the appropriate use of the Work First Diversion Grant (DSS funds 1130, 1150, 1180, 1220, and 1480)
- Provide Work First Diversion grant to appropriate individuals (i.e., those seeking employment, recent connection to workforce, etc. (DSS funds 1130, 1150, 1180, 1220, and 1480)

Division of Social Services

Expected Outcome:
An increase in job placements (employment) and/or participation in employment related activities

P/PB Objective # 66 (2100.91)
By June 2001, increase percentage of Work First participants in thirty hours of employment and/or participation in employment related activities (i.e., On-the-Job Training, Work Experience, Job Readiness, Job Skills Training).

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Percentage of Work First participants in thirty hours of employment, employment related activities, or concurrent employment and employment related activities.	N	N	N	N	N	N

NOTE: Data will be collected beginning SFY 96-97.

Description of strategies or activities directed toward this objective:
- Build stronger collaborative relationships with employers, businesses and churches (DSS funds 1130, 1150, 1180, 1220, 1480);
- Greater emphasis on job development and placement activities (DSS funds 1130, 1150, 1180, 1220, 1480);
- Institutionalize the Curtis and Associate Training for all DSS employees and participants (DSS funds 1130, 1150, 1180, 1220, 1480);
- Increase the availability of Work Experience slots (DSS funds 1130, 1150, 1180, 1220, 1480);
- Utilize a generic approach in providing services to participants (DSS funds 1130, 1150, 1180, 1220,1480);
- Increase the number of Work First families who have reliable transportation to enter and retain employment (DSS funds 1130, 1150, 1180, 1220, 1480).

Innovations:
- Earned Income Tax Credit education campaign for staff, participants, and employers.
- Work First Forums to educate business and church leaders about their role in welfare reform

Division of Social Services

Expected Outcome:
An increase in Work First wage earners who receive additional job skills training and/or education

P/PB Objective # 67 (2100.92)
By June 2001, increase the percentage of Work First wage earners who receive additional job skills training and/or education

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Percentage of Work First wage earners who receive additional job skills training and/or education.	N	N	N	N	N	N

NOTE: Data will be collected beginning SFY 96-97.

Description of strategies or activities directed toward this objective:

- Encourage and support wage earners in enhancing job skills and seeking additional education (DSS funds 1130, 1150, 1180, 1220, and 1480);
- Educate department of social services staff and client population of this need (DSS funds 1130, 1150, 1180, 1220, and 1480);
- Work collaboratively with other education and training agencies who provide these services/activities. (DSS funds 1130, 1150, 1180, 1220, and 1480)

Expected Outcome:
An decrease in the number of Work First dependent children who fail to attend school on a regular basis.

P/PB Objective # 68 (2100.93)
By June 2001, decrease the number of Work First dependent children who fail to attend school on a regular basis.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Number of Work First dependent children who fail to attend school on a regular basis	N	N	N	N	N	N

NOTE: Data will be collected beginning SFY 96-97.

Description of strategies or activities directed toward this objective:
- Require all applicants who have been approved for Work First Family Assistance to sign Personal Responsibility Contracts stipulating that, as a condition of eligibility for Work First, they will ensure that their dependent children remain in school and attend on a regular basis (DSS funds 1130, 1150, 1180, 1220, & 1480)
- Build stronger collaborative relationships with public school system and local Cities in Schools Programs (DSS funds 1130, 1150, 1180, 1220, and 1480)
- Provide case management and referral to community services for tutoring and intervention programs for students who are at high risk for becoming school dropouts (DSS funds 1130, 1150, 1180, 1220, & 1480)
- Strengthen collaborative partnerships with churches, volunteer organizations and other non-profits to provide support to families and students (DSS funds 1130, 1150, 1180, 1220, and 1480)
- Develop and implement strategies to provide more family literacy programs at the local level (DSS funds 1130, 1150, 1180, 1220, and 1480)
- Sanction grant amounts for all recipients who have not complied with the immunization provision in their Personal Responsibility Contract (DSS funds 1130, 1150, 1180, 1220, and 1480).

Innovations:
- Some county department of social services have established on-line access to local school system records to verify school attendance requirement.
- Work First Forums to educate business and church leaders about their role in welfare reform.

Division of Social Services

Expected Outcome:
A reduction in the number of Work First dependent children who leave school before graduating.

P/PB Objective # 69 (2100.94)
By June 2001, increase the number of Work First dependent children who remain in school and obtain their high school diploma or its equivalency

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Number of high school completions or high school equivalency for Work First dependent children.	N	N	N	N	N	N

NOTE: Data will be collected beginning SFY 96-97.

Description of strategies or activities directed toward this objective:

- Require all applicants who have been approved for Work First Family Assistance to sign Personal Responsibility Contracts stipulating that, as a condition of eligibility for Work First, they will ensure that their dependent children remain in school in order to receive a high school diploma or its equivalency (DSS funds 1130, 1150, 1180, 1220, and 1480);
- Build stronger collaborative relationships with public school system and local Cities in Schools Programs (DSS funds 1130, 1150, 1180, 1220, and 1480);
- Provide case management and referral to community services for tutoring and intervention programs for students who are at high risk for becoming school dropouts (DSS funds 1130, 1150, 1180, 1220, & 1480);
- Strengthen collaborative partnerships with churches, volunteer organizations and other non-profits to provide support to families and students (DSS funds 1130, 1150, 1180, 1220, and 1480);
- Develop and implement strategies to provide more family literacy programs at the local level (DSS funds 1130, 1150, 1180, 1220, and 1480);

Innovations:
Work First Forums to educate business and church leaders about their role in welfare reform

Division of Social Services

Expected Outcome:
An decrease in the number of Work First dependent children who are not properly immunized against infections diseases.

P/PB Objective # 70 (2100.95)
By June 2001, decrease the number of Work First children who are not properly immunized

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Number of dependent children in Work First families who have not received required childhood immunizations.	N	N	N	N	N	N

NOTE: Data will be collected beginning SFY 96-97.

Description of strategies or activities directed toward this objective:

- Require all applicants who have been approved for Work First Family Assistance (Work First) to sign Personal Responsibility Contracts stipulating that as a condition of eligibility, they will ensure that their dependent children are properly immunized (DSS funds 1150, 1180, 1220, and 1480);
- Sanction grant amounts for all recipients who have not complied with the immunization provision in their Contract (DSS funds 1150, 1180, 1220, and 1480);
- Build stronger collaborative relationships with health departments, local health care providers, local Smart Start Partnerships, public schools and child caring institutions (DSS funds 1150,1180, 1220, and 1480);
- Provide case management, referral and follow-up services to Work First participants (DSS funds 1150, 1180, 1220, and 1480);
- Provide information and educational materials to parents on childhood immunizations and free or low-cost medical screening for children (DSS funds 1150, 1180, 1220, and 1480)

Innovations:
Waiver of federal regulations to allow state to make this a condition of eligibility

Division of Social Services

Administrative Objective # 71:
By June 2001, increase Work First employment services for 80 percent of the primary target group of 28,000 mandatory families for Work First work program (i.e., two-parent families, parents of school-aged children, adults working 30 hours or more a week).

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Number of target group mandatory families who receive employment services and become employed.						

Description of strategies or activities directed toward this objective:
- Utilize a generic approach in providing services to participants (DSS funds 1130, 1150, 1180, 1220, and 1480)
- Greater utilization of group work techniques (DSS funds 1130, 1150, 1180, 1220, and 1480)
- Refer to other employment and training agencies when appropriate (DSS funds 1130, 1150, 1180, 1220, and 1480)
- Implement Curtis and Associate Training for DSS staff (DSS funds 1130, 1150, 1180, 1220, and 1480)

Division of Social Services

Expected Outcome:
The ability to obtain financial child support which is timely, consistent, and in the full amount for children and families

P/PB Objective # 72 (2100.96)
Increase the statewide current support collection rate for child support cases to 70% by the year 2000.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Collection Rate for Current Support	**63%**	**63%**	**64%**	**65%**	**69%**	**70%**

Description of strategies or activities directed toward this objective:
- Initiate legal action against the absent parent (DSS fund 1500)
- Withhold support payments from the absent parent's wages (DSS fund 1500)
- Intercept absent parents' tax refunds, and Unemployment Benefits (DSS fund 1500)
- Continue the Public Awareness Campaign (DSS fund 1500)
- Implement the new Automated Collections Tracking System (ACTS) (DSS fund 1500)

Innovations:
- Driver licenses revocation for non-payment of Child Support (DSS fund 1500)
- Professional licenses revocation for non-payment of Child Support (DSS fund 1500)
- Prevent vehicle registration for non-payment of Child Support (DSS fund 1500)
- Hunting and fishing licenses revocation for non-payment of Child Support (DSS fund 1500)

Division of Social Services

Expected Outcome:
The ability to obtain financial child support which is timely, consistent, and in the full amount for children and families

P/PB Objective # 73 (2100.97)
Increase the percentage of children receiving their child support to 70% by the year 2000.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Percentage of children for whom support orders are established.	**36%**	**40%**	**43%**	**55%**	**62%**	**70%**

Description of strategies or activities directed toward this objective:
- Continue the Public Awareness Campaign (DSS fund 1500)
- Implement the new Automated Collections Tracking System (ACTS) (DSS fund 1500)
- Increase the number of hospital based affidavits of paternity obtained (DSS fund 1500)
- Increase the number of absent parents located in order to establish paternity and support (DSS fund 1500)

Division of Social Services

Expected Outcome:
The ability to obtain financial child support which is timely, consistent, and in the full amount for children and families

P/PB Objective # 74 (2100.98)
Increase the percentage of children for whom paternity is established to 75% by the year 2000.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Percentage of children for whom paternity is established	**51%**	**49%**	**51%**	**59%**	**67%**	**75%**

Description of strategies or activities directed toward this objective:
- Continue the Public Awareness Campaign (DSS fund 1500)
- Implement the new Automated Collections Tracking System (ACTS) (DSS fund 1500)
- Increase the number of hospital based affidavits of paternity obtained (DSS fund 1500)
- Increase the number of locations accomplished in order to establish paternity and support (DSS fund 1500)
- Initiate legal action against the absent parent (DSS fund 1500)

Program Area:	Human Services
P/PB Goal #1:	Enable families and individuals to achieve maximum self-sufficiency and well-being
Program:	**Support child care and early childhood development**

Division of Child Development

Expected Outcome:
Children in Smart Start Counties will enter kindergarten healthy and ready to learn.

P/PB Objective # 75 (2200.01):
Increase by 2% annually the number of children in Smart Start counties who enter school fully immunized

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Percentage of children in Smart Start counties who enter school fully immunized.	N	N	N	N	N	N

NOTE: Data will be collected beginning SFY 96-97.

Description of strategies or activities directed toward this objective:
- Increase the number of accredited, or otherwise upgraded child care programs (DCD funds 1111, 1711 and 1811);
- Reduce turnover among child care staff (DCD funds 1111, 1711 and 1811);
- Expand the amount of child care available (DCD funds 1111, 1711 and 1811);
- Improve access to child care for low-income families to support employment, training, and other employment related purposes (DCD funds 1111, 1711 and 1811);
- Expand access to low-income families by providing more subsides (DCD funds 1111, 1711 and 1811);
- Improve program quality by increasing capacity for systematic monitoring of child care facilities (DCD funds 1111, 1711 and 1811);
- Develop a plan for providing families and children with needed support services (DCD funds 1111, 1711 and 1811);

Innovations:
Early Childhood Initiative - Smart Start began in 1993 and is currently in 44 counties. Collaboration with all local and state family-centered service agencies allows local communities to provide family-centered support to empower families to seek and find services needed to become self-sufficient.

Division of Child Development

Expected Outcome:
Children in Smart Start Counties will enter kindergarten healthy and ready to learn.

P/PB Objective # 76 (2200.02):
Decrease by 5% annually the number of children in Smart Start counties who have not been assessed/treated for vision, hearing or developmental needs.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Number of children in Smart Start counties who have not been assessed/treated for vision, hearing or developmental needs.	N	N	N	N	N	N

NOTE: Data will be collected beginning SFY 96-97.

Description of strategies or activities directed toward this objective:
- Increase the number of accredited, or otherwise upgraded child care programs (DCD funds 1111, 1711 and 1811);
- Reduce turnover among child care staff (DCD funds 1111, 1711 and 1811);
- Expand the amount of child care available (DCD funds 1111, 1711 and 1811);
- Improve access to child care for low-income families to support employment, training, and other employment related purposes (DCD funds 1111, 1711 and 1811);
- Expand access to low-income families by providing more subsides (DCD funds 1111, 1711 and 1811);
- Improve program quality by increasing capacity for systematic monitoring of child care facilities (DCD funds 1111, 1711 and 1811);
- Develop a plan for providing families and children with needed support services (DCD funds 1111, 1711 and 1811);

Innovations:
Early Childhood Initiative - Smart Start began in 1993 and is currently in 44 counties. Collaboration with all local and state family-centered service agencies allows local communities to provide family-centered support to empower families to seek and find services needed to become self-sufficient.

Division of Child Development

Expected Outcome:
Children in Smart Start Counties will enter kindergarten healthy and ready to learn

P/PB Objective # 77 (2200.03):
Increase by 5% annually the number of children in Smart Start counties who will score above the 25th percentile on the kindergarten screening measure used by the local Education Agency.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Number of children in Smart Start counties who will score above the 25th percentile on the kindergarten screening measure used by the Local Education Agency.	N	N	N	N	N	N

NOTE: Data will be collected beginning SFY 96-97.

Description of strategies or activities directed toward this objective:
- Increase the number of accredited, or otherwise upgraded child care programs (DCD funds 1111, 1711 and 1811);
- Reduce turnover among child care staff (DCD funds 1111, 1711 and 1811);
- Expand the amount of child care available (DCD funds 1111, 1711 and 1811);
- Improve access to child care for low-income families to support employment, training, and other employment related purposes (DCD funds 1111, 1711 and 1811);
- Expand access to low-income families by providing more subsides (DCD funds 1111, 1711 and 1811);
- Improve program quality by increasing capacity for systematic monitoring of child care facilities (DCD funds 1111, 1711 and 1811);
- Develop a plan for providing families and children with needed support services (DCD funds 1111, 1711 and 1811)

Innovations
Early Childhood Initiative - Smart Start began in 1993 and is currently in 44 counties. Collaboration with all local and state family-centered service agencies allows local communities to provide family-centered support to empower families to seek and find services needed to become self-sufficient.

Division of Child Development

Expected Outcome:
The availability of regulated and higher quality child care will be increased statewide.

P/PB Objective # 78 (2200.04):
By the year 2000, increase by 10% the number of regulated child care spaces available to children statewide.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Number of child care spaces in regulated facilities and homes.	**228,938**	**245,172**	**258,077**	**268,737**	**276,681**	**283,010**

Description of strategies or activities directed toward this objective:
- Increase the number of regulated day care centers and homes (DCD funds 1111, 1711 and 1811)
- Provide technical assistance for starting up child day care services. (DCD funds 1111, 1711 and 1811)

Innovations
- Expand collaborative efforts with the Small Business Centers in the community college system to provide seminars for potential child day care center operators.

Division of Child Development

Expected Outcome:
The availability of regulated and higher quality child care will be increased statewide

P/PB Objective # 79 (2200.05):
By the year 2000, increase by 3% the number of child care spaces available to children statewide that meet higher than minimum licensing standards.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Number of child care spaces in regulated child care arrangements meeting higher than minimum licensing standards or accreditation standards.	**N**	**N**	**N**	**N**	**N**	**N**

NOTE: Data will be collected beginning SFY 96-97.

Description of strategies or activities directed toward this objective:

- Increase the number of accredited, or otherwise upgraded, child day care programs. (DCD funds 1111, 1711 and 1811)
- Provide technical assistance for improving child day care services. (DCD funds 1111, 1711 and 1811)
- Improve program quality by increasing capacity for systematic monitoring of child day care centers and homes. (DCD funds 1111, 1711 and 1811)

Division of Child Development

Expected Outcome:
A safer environment will be created for children in child care arrangements.

P/PB Objective # 80 (2200.06):
Decrease by 5% the percentage of children receiving care in child care arrangements requiring administrative actions (revocations, special provisionals, written warnings etc.)

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Percent of children enrolled in child care arrangements requiring negative administrative action.	N	N	N	N	N	N

NOTE: Data will be collected beginning SFY 96-97.

Description of strategies or activities directed toward this objective:
- Provide technical assistance for improving child day care services. (DCD funds 1111, 1711 and 1811)
- Improve program quality by increasing capacity for systematic monitoring of child day care centers and homes. (DCD funds 1111, 1711 and 1811)
- Increase the number of caregivers receiving child care credentials and other professional development. (DCD funds 1111, 1711 and 1811)

Expected Outcome:
A successful transition from early childhood education programs and child care to the public schools for children of families in communities served by Family Resource Centers (FRC).

P/PB Objective # 81 (2200.07):
Increase by 2%, the enrollment of child(ren) and parents in educational services and activities offered through the Family Resource Centers programs.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Number of persons entering educational programs.	N	N	N	N	N	N

NOTE: Data will be collected beginning SFY 96-97.

Description of strategies or activities directed toward this objective:
- Utilize accredited, or otherwise upgraded, child care programs (DCD fund 1111,1711,1811).
- Provide assessment of child development needs and resources (DCD fund 1111,1711,1811).
- Utilize family support services available through other community organizations (DCD fund 1111,1711,1811).
- Provide early childhood education options for children and parents who are otherwise not in the child care system (DCD fund 1111,1711,1811).
- Provide culturally sensitive training sessions to educators and health and human service providers. (DCD fund 1111, 1711, 1811).

Innovations
- Family Resource Centers do not represent a new kind of service but rather a new way to organize and direct the way families receive services. Family Resource Centers are a "one-stop" source of help for families, which are intended to facilitate coordinated, focused, and integrated access to necessary services and assistance. Programs emphasize service flexibility; families may obtain services delivered on-site, off-site, or through a voluntary home-based program.

Division of Child Development

Expected Outcome:
Increase access to child care.

P/PB Objective # 82 (2200.08):
By the year 2000, increase access to child care for low income families by 12%.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
The average monthly number of children receiving subsidized child care (CCDF, SSBG, CCDBG, State Subsidy Funds, Smart Start, and Head Start Wrap-Around).	**56,805**	**65,828**	**64,139**	**71,028**	**78,076**	**76,895**

Description of strategies or activities directed toward this objective:
- Transfer the Work First Child Care Program to the Division of Child Development (DCD funds 1111, 1711 and 1811).
- Expand access to low income families by providing more subsidies through Smart Start funding (DCD funds 1111, 1711 and 1811).

Program Area:	Human Services
P/PB Goal #1:	Enable families and individuals to achieve maximum self-sufficiency and well-being
Program:	**Provide community-based services to prevent or correct delinquency**

Division of Youth Services

Expected Outcome:
Decreased incidence of delinquent behavior; stronger families; safe and emotionally stable environments in which youth can live

P/PB Objective # 83 (2300.01):
Reduce by 25% the number of counties that have a training school commitment rate that exceeds the state average (1/1000).

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Number of counties that have a training school commitment rate exceeding the state average (1/1000).	**54**	**68**	**55**	**52**	**47**	**40**

Description of strategies or activities directed toward this objective:
- Promoting interagency coordination and program development in all 100 counties that offer a comprehensive continuum of Community Based Alternatives to reduce the number of youth who would be committed to training school (DYS fund 1310).
- Increasing the availability of Community-Based Alternative to training schools (DYS fund 1310).

Expected Outcome:
Decreased incidence of delinquent behavior; stronger families; safe and emotionally stable environments in which youth can live.

P/PB Objective # 84 (2300.02):
By the year 2000, reduce by 25% the training school commitment rate for counties served by a multipurpose home.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Training school commitment rate per 1,000 for counties served by a multipurpose home.	**1.46**	**1.50**	**1.36**	**1.29**	**1.20**	**1.10**

Description of strategies or activities directed toward this objective:
- Designing and managing an existing network of six state-owned multipurpose juvenile homes in judicial districts which have high training school commitment rates and few other residential alternatives (DYS fund 1310).
- Increasing the availability of Community-Based Alternative to training schools.

Division of Youth Services

Expected Outcome:
Decreased incidence of delinquent behavior; stronger families; safe and emotionally stable environments in which youth can live

P/PB Objective # 85 (2300.03):
Reduce new referrals to juvenile court by 80% for individual youth participating in community service programs.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Percent of new referrals to juvenile court for individuals participating in community service programs	**84%**	**86%**	**84%**	**80%**	**80%**	**80%**

Description of strategies or activities directed toward this objective:
- Designing and managing an existing network of six state-owned multipurpose juvenile homes in judicial districts which have high training school commitment rates and few other residential alternatives (DYS fund 1310).
- Increasing the availability of Community-Based Alternative to training schools. (DYS fund 1310).

Division of Youth Services

Expected Outcome:
Decreased incidence of delinquent behavior; stronger families; safe and emotionally stable environments in which youth can live

P/PB Objective # 86 (2300.04):
By the year 2000, reduce by 20% the rate of training school commitments in counties served by Support Our Students programs.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Rate of training school commitments per 1,000 in counties served by Support Our Students programs	**1.38**	**1.57**	**1.30**	**1.22**	**1.16**	**1.11**

Description of strategies or activities directed toward this objective:
- Establish after-school crime prevention programs in 48 counties. (DYS fund 1311)
- Increase student participation by 50% or 6,000 students. (DYS fund 1311)
- Increase the total number of volunteers by 20%. (DYS fund 1311)

Division of Youth Services

Expected Outcome:
Decreased incidence of delinquent behavior; stronger families; safe and emotionally stable environments in which youth can live

P/PB Objective # 87 (2300.05):
By the year 2000, improve the average academic performance of Support Our Students participants by 10% or one letter grade.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Percent of Support Our Students participants with improved grades after participating for one year.	N	N	N	N	N	N

NOTE: Data will be collected beginning SFY 96-97.

Description of strategies or activities directed toward this objective:
- Create an academic component in each of the local SOS programs with a tracking component to periodically assess their performance. (DYS fund 1311)
- Develop a Saturday Academy at three regional universities to help enhance student skills and academics. (DYS fund 1311)

Division of Youth Services

Expected Outcome:
Decreased incidence of delinquent behavior; stronger families; safe and emotionally stable environments in which youth can live

P/PB Objective # 88 (2300.06):
By the year 2000, increase by 10% the number of students participating in the Support Our Students programs.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Number of students participating in SOS.	**0**	**6,013**	**6,200**	**6,300**	**6,500**	**6,600**
YTD Rate						

Description of strategies or activities directed toward this objective:
- Establish after-school crime prevention programs in 64 counties. (DYS fund 1311)
- Increase student participation by 50% or 6,000 students. (DYS fund 1311)
- Increase the total number of volunteers by 20%. (DYS fund 1311)

Program Area:	Human Services
P/PB Goal #1:	Enable families and individuals to achieve maximum self-sufficiency and well-being
Program:	**Provide general advocacy for vulnerable individuals or groups to protect their rights**

Council on Developmental Disabilities

Expected Outcome:
Increased independence, productivity, integration, and inclusion into the community of individuals with developmental disabilities and their families.

P/PB Objective # 89 (2400.01):
By the year 2000, increase by 10% the number of protected citizens who are informed and able to exercise their social and economic rights and their right to impartial access to services benefiting from Council-sponsored activities in the priority areas of employment, community living, prevention and child development, and systems coordination and community education.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
The number of individuals with developmental disabilities impacted by DD Council priority are activities.						

NOTE: Fulfillment of this objective will be realized through the success of systems change advocacy efforts as reflected in the performance measures.

Description of strategies or activities directed toward this objective:
- Assess and promote interagency coordination of employment, community living arrangements, and child development services for persons with developmental disabilities.
- Monitor and evaluate Employment Related Activity, Prevention and Child Development, Community Living, Systems Coordination and Community Education grants. (DHR fund 1110)
- Sponsor and participate in conferences and workshops to increase the level of public awareness. (DHR fund 1110)

Program Area:	Human Services
P/PB Goal #1:	Protect the economic well-being of families and individuals
Program:	**Provide assistance to individuals to get and maintain employment**

Division of Services for the Blind
Division of Vocational Rehabilitation

Expected Outcome:
Eligible disabled and visually impaired individuals will experience an increase in their quality of life. Areas of life improvement will include: increased personal and financial independence, self-determination, and integration in all aspects of community and social life.

P/PB Objective # 90 (2500.01):
Increase the percent of employment program customers still employed one year after leaving the program (based on a 3-month window).

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Percent of blind and visually impaired individuals still employed one year after successful completion of employment program services. (DSB)	N	N	N	N	N	N
Percent of disabled persons employed one year after successful completion of vocational rehabilitation services. (DVR)	75%	88%	Available 2/97	80%	80%	80%

NOTE: This data will be collected beginning in SFY 96-97.

Description of strategies or activities directed toward this objective:
- Determine need for special technology and provide the needed technology to keep our consumers trained in the latest devices so that they can be more competitive. (DSB fund 1510)
- Provide individualized rehabilitation services which help blind and visually impaired individuals to prepare for, enter into, and retain employment. (DSB fund 1510)
- Process referrals, determine eligibility, plan program of services. (DSB fund 1510)

- Utilize agency facilities such as the Rehabilitation Center for the Blind and the DSB Evaluation Unit for special training or evaluation. (DSB fund 1510)
- Complete any physical restoration services. (DSB fund 1510)
- Develop placement plan, involve consumer, counselor, and if needed the job placement Specialist. (DSB fund 1510)
- Place in job and follow up for 60 days as required by the Rehabilitation Act of 1973 as amended. (DSB fund 1510)
- Educate employers regarding the abilities of individuals with disabilities and encourage employers to address barriers to the disabled. (DSB fund 1510)
- Increase the pool of employment opportunities for job placement participants. (DSB fund 1510)
- Implement and monitor the policies established by the N. C. Human Resources Investment council. (DSB fund 1510)
- Improve cooperation among governments, private businesses and school systems. (DSB fund 1510)
- Cultivate a program management/leadership environment that ensures respect for customers' personal integrity, individual dignity and one in which they are treated as equal partners in planning/implementing their rehab programs. (DVR funds 1100, 1201, 1301, 1302, 1304)
- Assess on-going customer satisfaction survey of all disabled customers who exit the employment program -- successful and unsuccessful completers. (DVR funds 1100, 1201, 1301, 1302, 1304)
- Monitor survey results and address client concerns as soon as possible; make adjustments in programming as survey results indicate. (DVR funds 1100, 1201, 1301, 1302, 1304)
- Make more effective use of Client Assistance Program services/guidance to reach out to a larger and more diversified population of persons with disabilities including more minorities and other underserved populations through various media formats, i.e., radio, video, reading services, television and newspaper to inform of CAP services. (DVR funds 1100, 1201, 1301, 1302, 1304)
- Revise the current evaluation survey in order to obtain from customers of employment programs, more comprehensive and specific information. (DVR funds 1100, 1201, 1301, 1302, 1304)

Division of Services for the Blind
Division of Vocational Rehabilitation

Expected Outcome:
Disabled, blind and visually impaired rehabilitation service consumers obtain or retain employment.

P/PB Objective # 91 (2500.02):
Increase the percent of employment program enrollees placed in unsubsidized employment.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Number of blind or visually impaired individuals entering unsubsidized employment.(DSB)	**624**	**643**	**670**	**675**	**685**	**695**
Number of new operators entering the Business Enterprise program	**10**	**12**	**15**	**17**	**18**	**20**
Number of persons with disabilities who are employed following employment program completion.(DVR)	**8,332**	**7,725**	**7,899**	**7,970**	**8,090**	**8,250**

Description of strategies or activities directed toward this objective:

- Determine need for special technology and provide the needed technology to keep our consumers trained in the latest devices so that they can be more competitive. (DSB fund 1510)
- Provide individualized rehabilitation services which help to prepare blind and visually impaired individuals to prepare for, enter into, and retain employment. (DSB fund 1510)
- Process referrals, determine eligibility, plan program of services. (DSB fund 1510)
- Utilize agency facilities such as the Rehabilitation Center for the Blind and the DSB Evaluation Unit for special training or evaluation. (DSB fund 1510)
- Complete any physical restoration services. (DSB fund 1510)
- Develop placement plan, involve consumer, counselor, and if needed the job placement Specialist. (DSB fund 1510)
- Place in job and follow up for 60 days as required by the Rehabilitation Act of 1973 as amended. (DSB fund 1510)
- Educate and encourage employers to address barriers to the disabled. (DSB fund 1510)
- Increase the pool of employment opportunities for job placement participants. (DSB fund 1510)

- Implement and monitor the policies established by the N. C. Human Resources Investment council. (DSB fund 1510)
- Improve cooperation among governments, private businesses and school systems. (DSB fund 1510)
- Identify new sites for potential facility establishment. (DSB fund 1610)
- Negotiate contracts/agreements for new facilities. (DSB fund 1610)
- Construct, equip and staff new locations. (DSB fund 1610)
- Provide on-going support via Business Enterprise counselors to operators/trainers. (DSB fund 1610)
- Monitor, audit, and provide oversight to operators comparing performance to standards developed. (DSB fund 1610)
- Improve VR staff and publics awareness of the Americans with Disabilities Act (ADA) by developing a Division approach for providing education, training, and technical assistance to staff and employers. (DVR funds 1100, 1201, 1301, 1302, 1304)
- Continue the initiative to strengthen staff's knowledge of Assistive Technology. (DVR funds 1100, 1201, 1301, 1302, 1304)
- Establish a business and industry based vocational program in each service region, in order to conduct job analysis, situation assessments, develop work samples, and suggestions for technology applications. in work situations. (DVR funds 1100, 1201, 1301, 1302, 1304)
- Strengthen job coaching program for special populations, in order to facilitate transition into employment for individuals for whom an employment outcome was traditionally thought not possible. (DVR funds 1100, 1201, 1301, 1302, 1304)
- Improve utilization of customer feedback from ongoing satisfaction surveys of the entire population of customers closed rehabilitated or not rehabilitated to determine their satisfaction with rehabilitation services received; improve utilization of customer feedback through focus groups. (DVR funds 1100, 1201, 1301, 1302, 1304)
- Obtain consultation from the VR Advisory Council, input from customers and other stakeholders regarding the most appropriate design for the customer satisfaction survey, the survey form, survey implementation, feedback interpretation and utilization (DVR funds 1100, 1201, 1301, 1302, 1304)

Division of Social Services
Division of Services for the Blind
Division of Vocational Rehabilitation

Expected Outcome:
Job Corps applicants are satisfied with the Division of Social Services Job Corps services.
Blind and visually impaired rehabilitation service consumers are satisfied with the Division of Blind Services Rehabilitation Program services.
More disabled customers will be satisfied with Vocational Rehabilitation (VR) services.

P/PB Objective # 92 (2500.04):
Maintain a high rate of customer satisfaction with employment program services.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Rate of Job Corps applicants' satisfaction with services.	**N**	**N**	**N**	**N**	**N**	**N**
Percent of blind and visually impaired individuals exiting the Rehabilitation Program who are satisfied with services. (DSB)	**79.8%**	**91.0%**	**91.4%**	**92%**	**92.5%**	**93%**
Percent of persons with disabilities participating in the program (completers and non-completers) who are satisfied with employment program services. (DVR)	**NA**	**87%**	**89%**	**90%**	**90%**	**90%**

Description of strategies or activities directed toward this objective:
- Determine need for special technology and provide the needed technology to keep our consumers trained in the latest devices so that they can be more competitive. (DSB fund 1510)
- Provide individualized rehabilitation services which help to prepare blind and visually impaired individuals to prepare for, enter into, and retain employment. (DSB fund 1510)
- Process referrals, determine eligibility, plan program of services. (DSB fund 1510)
- Utilize agency facilities such as the Rehabilitation Center for the Blind and the DSB Evaluation Unit for special training or evaluation. (DSB fund 1510)

- Complete any physical restoration services. (DSB fund 1510)
- Develop placement plan, involve consumer, counselor, and if needed the job placement Specialist. (DSB fund 1510)
- Place in job and follow up for 60 days as required by the Rehabilitation Act of 1973 as amended. (DSB fund 1510)
- Determine wages and compare to previous earnings to determine percentage. (DSB fund 1510)
- Educate employers regarding the abilities of individuals with disabilities. (DSB fund 1510)
- Educate and encourage employers to address barriers to the disabled. (DSB fund 1510)
- Increase the pool of employment opportunities for job placement participants. (DSB fund 1510)
- Implement and monitor the policies established by the N. C. Human Resources Investment council. (DSB fund 1510)
- Improve cooperation among governments, private businesses and school systems. (DSB fund 1510)
- Cultivate a program management/leadership environment that ensures respect for customers' personal integrity, individual dignity and one in which they are treated as equal partners in planning/implementing their rehab programs. (DVR funds 1100, 1201, 1301, 1302, 1304)
- Assess on-going customer satisfaction survey of all disabled customers who exit the employment program -- successful and unsuccessful completers. (DVR funds 1100, 1201, 1301, 1302, 1304)
- Monitor survey results and address client concerns as soon as possible; make adjustments in programming as survey results indicate. (DVR funds 1100, 1201, 1301, 1302, 1304)
- Make more effective use of Client Assistance Program services/guidance to reach out to a larger and more diversified population of persons with disabilities including more minorities and other underserved populations through various media formats, i.e., radio, video, reading services, television and newspaper to inform of CAP services. (DVR funds 1100, 1201, 1301, 1302, 1304)
- Revise the current evaluation survey in order to obtain from customers of employment programs, more comprehensive and specific information. (DVR funds 1100, 1201, 1301, 1302, 1304)

Division of Services for the Blind
Division of Vocational Rehabilitation

Expected Outcome:
Increase income of blind and visually impaired rehabilitation program participants
Increased average earnings for persons with disabilities, with corresponding improvement in standard of living.

P/PB Objective # 93 (2500.07)
Improve the average wage for customers one year after receiving employment program services.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Increase in earnings after rehabilitation over the earnings before rehabilitation. (DSB)	**159%**	**160%**	**137%**	**140%**	**140%**	**140%**
Average income of operators in the Business Enterprise Program.	**$27,913**	**$31,195**	**$29,846**	**$31,000**	**$31,500**	**$32,000**
Ratio of average wage to minimum wage for disabled persons who complete employment programs. (DVR)	**1.41**	**1.48**	**1.52**	**1.54**	**1.56**	**1.58**

Description of strategies or activities directed toward this objective:
- Determine need for special technology and provide the needed technology to keep our consumers trained in the latest devices so that they can be more competitive. (DSB fund 1510)
- Provide individualized rehabilitation services which help to prepare blind and visually impaired individuals to prepare for, enter into, and retain employment. (DSB fund 1510)
- Process referrals, determine eligibility, plan program of services. (DSB fund 1510)
- Utilize agency facilities such as the Rehabilitation Center for the Blind and the DSB Evaluation Unit for special training or evaluation. (DSB fund 1510)
- Complete any physical restoration services. (DSB fund 1510)
- Develop placement plan, involve consumer, counselor, and if needed the job placement Specialist. (DSB fund 1510)
- Place in job and follow up for 60 days as required by the Rehabilitation Act of 1973 as amended. (DSB fund 1510)
- Determine wages and compare to previous earnings to determine percentage. (DSB fund 1510)

- Educate employers regarding the abilities of individuals with disabilities. (DSB fund 1510)
- Educate and encourage employers to address barriers to the disabled. (DSB fund 1510)
- Increase the pool of employment opportunities for job placement participants. (DSB fund 1510)
- Implement and monitor the policies established by the N. C. Human Resources Investment council. (DSB fund 1510)
- Improve cooperation among governments, private businesses and school systems. (DSB fund 1510)
- Train Business Enterprise counselors to be better business advisors. (DSB fund 1610)
- Develop standards of performance for each facility. (DSB fund 1610)
- Monitor performance of operators against standards developed. (DSB fund 1610)
- Terminate situations/relationships that cannot be made profitable. (DSB fund 1610)
- Provide continued support, counseling, and training to facility operators. (DSB fund 1610)
- Continue the Staff Development initiative to strengthen staffs knowledge of Assistive Technology. (DVR funds 1100, 1201, 1301, 1302, 1304)
- Improve VR staff and public awareness of the Americans with Disabilities Act (ADA) by developing a Division approach for providing education, training, and technical assistance to staff and employers. (DVR funds 1100, 1201, 1301, 1302, 1304)
- Establish a business and industry based vocational evaluation program in each service region in order to conduct job analysis, situation assessments, develop work samples, and suggestions for technology applications in work situations. (DVR funds 1100, 1201, 1301, 1302, 1304)
- Strengthen job coaching program for special populations, in order to facilitate transition into employment for individuals for whom an employment outcome was traditionally thought not possible. (DVR funds 1100, 1201, 1301, 1302, 1304)
- Improve utilization of customer feedback from ongoing satisfaction surveys of the entire population of customers closed rehabilitated or not rehabilitated to determine their satisfaction with rehabilitation services received; improve utilization of customer feedback through focus groups. (DVR funds 1100, 1201, 1301, 1302, 1304)
- Obtain consultation from the VR Advisory Council, input from customers and other stakeholders regarding the most appropriate design for the customer satisfaction survey, the survey form, survey implementation, feedback interpretation and utilization (DVR funds 1100, 1201, 1301, 1302, 1304)

Division of Vocational Rehabilitation

Expected Outcome:
More youth with disabilities employed

P/PB Objective # 94 (2500.08)
By the year 2000, increase the percentage of youth moving into jobs.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Number of youth with disabilities who are employed following employment program completion.	**2,136**	**2,100**	**2,186**	**2,229**	**2,273**	**2,318**

Description of strategies or activities directed toward this objective:

- Collaborate with other agencies (public & private) to identify and refer youth with disabilities to be considered for Vocational Rehabilitation (VR) services. (DVR funds 1100, 1201, 1301, 1302, 1304)
- Strengthen VR staff's special skills required to provide effective vocational counseling and guidance to youth with disabilities, by providing opportunities for professional development. (DVR funds 1100, 1201, 1301, 1302, 1304)

Program Area:	Human Services
P/PB Goal #1:	Protect the economic well-being of families and individuals
Program:	**Provide subsistence to met basic needs**

Division of Social Services

Expected Outcome:
Increase the ability of low income citizens to obtain needed financial assistance to meet a household's energy needs.

P/PB Objective # 95 (2700.04)
Maintain the number of elderly that qualify for needed assistance to offset energy (winter heating) costs.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Number of elderly households receiving Low Income Energy Assistance.	**N**	**N**	**N**	**36,000**	**36,000**	**36,000**

NOTE: Effective with SFY 96-97 the eligibility criteria changed to include only households with members age 65 or older.

Description of strategies or activities directed toward this objective:

- Take and process applications for energy assistance, assuring fair and impartial participation of targeted populations. (DSS funds 1240 and 1280)
- Eliminate application process for Low Income Energy Assistance Program (LIEAP) by utilizing data from the Food Stamp Information System to identify eligible households (DSS funds 1240 and 1280)
- Target potentially eligible individuals and families by requiring the development and execution of effective outreach plans that informs the populace of the availability of energy assistance. (DSS funds 1240 and 1280)

Division of Social Services

Expected Outcome:
Increase the ability of refugees settling in North Carolina to obtain basic necessities while they are adjusting to living in a foreign country and locating employment.

P/PB Objective # 96 (2700.02)
Provide time-limited economic support to refugees settling in North Carolina.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Average monthly number of refugees receiving cash payments through the Division of Social Services.	**206**	**224**	**169**	**225**	**200**	**200**

Description of strategies or activities directed toward this objective:
- Complete Refugee Assistance applications within an average processing time of 45 days. (DSS fund 1210)
- Provide 96 % of Refugee Assistance Payments accurately. (DSS fund 1210)

Expected Outcome:
North Carolina citizens will receive timely decisions on all disability claims.

P/PB Objective # 97 (2700.01):
Maintain under 60 days the average processing time for all disability claims processed within the year.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Average processing days for disability claims.	**42.4**	**44.0**	**45.7**	**58.0**	**55.0**	**49.0**

Description of strategies or activities directed toward this objective:
- Monitor claims processing time and cost per claim processed. (DVR 2125)
- On-going review and analysis of administrative and claims processing activities to identify areas where improvement is needed. (DVR 2125)

Program Area:	Corrections
P/PB Goal #3:	Control and reform juvenile offenders.
Program:	**Training school facilities**

Division of Youth Services

Expected Outcome:
Safer social environment

P/PB Objective # 98 (3500.01):
By the year 2000, increase by 5% the percentage of juveniles exiting training school with two or fewer major infractions for assaultive behavior.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Percent of juveniles exiting training school with 2 or fewer major infractions for assaultive behavior.	**NA**	**92%**	**84%**	**85%**	**90%**	**97%**

Description of strategies or activities directed toward this objective:
- Implement competency-based treatment plans for aggressive/assaultive behavior (DYS fund 1220)
- Operate a 48-bed substance abuse treatment program at the Juvenile Evaluation Center (DYS fund 1220)
- Increase family involvement through community meetings between the family and DYS social workers (DYS fund 1220)

Division of Youth Services

Expected Outcome:
Safer social environment

P/PB Objective # 99 (3500.02):
Using 1995 as a baseline, increase by 5% during each year of the FY 1997-99 biennium the number of juveniles who successfully complete Extended Home Visit (60 day transitional program) prior to release.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Percentage of juveniles successfully completing the Extended Home Visit transitional period.	**NA**	**535**	**725**	**755**	**80%**	**80%**

Description of strategies or activities directed toward this objective:
- Implement competency-based treatment plans for aggressive/assaultive behavior (DYS fund 1220)
- Operate a 48-bed substance abuse treatment program at the Juvenile Evaluation Center (DYS fund 1220)
- Increase family involvement through community meetings between the family and DYS social workers (DYS fund 1220)

Expected Outcome:
Safer social environment

P/PB Objective # 100 (3500.03):
By the year 2000, increase by 5% the number of juveniles who achieve a one-month educational gain (as measured by the Test of Adult Basic Skills-TABE) for each month of training school stay.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Percentage of students exiting training school who demonstrate at least one month progress per each month stay in training school.	**NA**	**NA**	**43%**	**50%**	**60%**	**65%**

Description of strategies or activities directed toward this objective:
- Implement competency-based treatment plans for aggressive/assaultive behavior (DYS fund 1220)
- Operate a 48-bed substance abuse treatment program at the Juvenile Evaluation Center (DYS fund 1220)
- Increase family involvement through community meetings between the family and DYS social workers (DYS fund 1220)

Innovations
- Operate the FORMAT model of lesson planning and teaching to increase grade level equivalency one month per each month of attendance.

Program Area:	Corrections
P/PB Goal #3:	Control and reform juvenile offenders.
Program:	**Detention center funds**

Division of Youth Services

Expected Outcome:
Safer social environment

P/PB Objective # 101 (3600.01):
Maintain state-operated detention centers below 120% of the system's designed bed capacity.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Ratio of detention centers' census to centers' designed bed capacities.	**157%**	**147%**	**111%**	**105%**	**110%**	**110%**

Description of strategies or activities directed toward this objective:

- Increase the use of secure detention through contracts with the Administrative Office of the Courts (DYS fund 1320)

Division of Youth Services

Expected Outcome:
Safer social environment

P/PB Objective # 102 (3600.02):
Increase the number of low-risk juvenile detainees who are "stepped-down" to non-secure detention options when those resources are available (case-by-case basis).

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Percentage of eligible low-risk juveniles "stepped down" to non-secure detention.	N	N	N	N	N	N

NOTE: This data will be collected for the first time in SFY 96-97.

Description of strategies or activities directed toward this objective:

- Conduct case-by-case review of all juveniles detained to determine appropriateness of placement. (DYS fund 1320)

Division of Youth Services

Expected Outcome:
Safer social environment

P/PB Objective # 103 (3600.03):
By the year 2000, reduce by 20% the number of detention days for juveniles who are not bound over to Superior Court (state-operated centers only).

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Average length of stay of detainees not bound over to Superior Court.	**19.9**	**16.2**	**13.6**	**13.5**	**13.0**	**13.0**

Description of strategies or activities directed toward this objective:

- Conduct case-by-case review of all juveniles detained to determine appropriateness of placement. (DYS fund 1320)

Division of Youth Services

Expected Outcome:
Safer social environment

P/PB Objective # 104 (3600.04):
By the year 2000, reduce by 20% the rate of assaults (per 1,000) by juveniles in state-operated detention centers.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Rate of assaults per 1,000 by juveniles in state-operated detention centers.	**NA**	**NA**	**43**	**40**	**37**	**34**

Description of strategies or activities directed toward this objective:

- Maintain appropriate training and operational procedures to ensure and enhance the program and security functions of state-operated detention centers. (DYS fund 1320)

Division of Youth Services

Expected Outcome:
Safer social environment and accurate, efficient assessments of juvenile offenders

P/PB Objective # 105 (3600.05):
By the year 2000, provide a physical, behavioral, psychological and educational assessment for 20% of juveniles charged with A - E felonies who are held in state-operated detention facilities.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Assessment rate of A-E felony juveniles admitted to state-operated detention centers.	**NA**	**NA**	**1,360**	**1,650**	**2,000**	**2,250**

Description of strategies or activities directed toward this objective:
- Develop screening instrument for mental health/suicide. (DYS fund 1320)
- Contract with North Carolina State University to develop an assessment instrument to include educational assessment, medical assessment, and social/psychological assessment (DYS fund 1320).
- Contract with local service providers to provide assessments for juveniles (DYS 1320).
- Provide assessment information to court prior to dispositional hearings (DYS 1320).

Program Area:	Education
Program:	Provide an effective, high quality, equitable system of public K-12 school
Subprogram:	Instruction, K-12
Element:	**Instruction in special K-12 Schools**

Division of Services for the Deaf and Hard of Hearing
Division of Services for the Blind

Expected Outcome:
Students will improve performance on NC standardized tests and will increase literacy levels.

P/PB Objective # 106 (7112.01):
Increase the percent of students passing NC standardized tests in reading, administered in grades 3-8, each year of the 1997-99 biennium

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Percentage of non-exempt students within DSB passing the NC end-of-grade reading tests. (DSB)	**0**	**21.4%**	**12.5%**	**18.75%**	**22.2%**	**40%**
Percentage of non-exempt students within DSDHH passing the NC end-of-grade reading tests. (DSDHH)	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**

Description of strategies or activities directed toward this objective:
- Provide appropriate early intervention (DSD/HH fund 1100)
- Stabilize student populations by numbers and characteristics (DSD/HH fund 1100 and DSB fund 1710)
- Utilize staff development to increase knowledge, improve skills and effect positive change in staff attitudes (DSD/HH fund 1100 and DSB fund 1710)
- Recruit and retain qualified personnel (DSD/HH fund 1100 and DSB fund 1710)

- Provide access to resources in personnel, services, and materials as needed to achieve this objective (DSD/HH fund 1100 and DSB fund 1710)
- Provide assessments and consultations for students in local school districts and technical assistance and training to their teachers and families through the Outreach program. (DSB fund 1710)

Innovations:

- Increased site-based management and empowerment to enhance authority of staff for decision-making.
- Enhancement of communication strategies internal and external to the school and agency.
- Increased child-centered and family-centered strategic planning.

Division of Services for the Deaf and Hard of Hearing
Division of Services for the Blind

Expected Outcome:
Students will improve performance on NC standardized tests and will increase literacy levels.

P/PB Objective # 107 (7112.02):
Increase the percent of students passing NC standardized tests in mathematics, administered in grades 3-8, each year of the 1997-99 biennium

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Percentage of non-exempt students within DSB passing the NC end-of-grade mathematics tests. (DSB)	**5.6%**	**7.1%**	**0**	**18.8%**	**27.8%**	**40%**
Percentage of non-exempt students within DSDHH passing the NC end-of-grade mathematics tests. (DSDHH)	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**

Description of strategies or activities directed toward this objective:
- Provide appropriate early intervention (DSD/HH fund 1100)
- Stabilize student populations by numbers and characteristics (DSD/HH fund 1100 and DSB fund 1710)
- Utilize staff development to increase knowledge, improve skills and effect positive change in staff attitudes (DSD/HH fund 1100 and DSB fund 1710)
- Recruit and retain qualified personnel (DSD/HH fund 1100 and DSB fund 1710)
- Provide access to resources in personnel, services, and materials as needed to achieve this objective (DSD/HH fund 1100 and DSB fund 1710)
- Provide assessments and consultations for students in local school districts and technical assistance and training to their teachers and families through the Outreach program. (DSB fund 1710)

Innovations:
- Increased site-based management and empowerment to enhance authority of staff for decision-making.
- Enhancement of communication strategies internal and external to the school and agency.
- Increased child-centered and family-centered strategic planning.

Division of Services for the Deaf and Hard of Hearing
Division of Services for the Blind

Expected Outcome:
Students will improve performance on NC standardized tests by increasing writing competency levels. Students will demonstrate progress in the area of communication skills development.

P/PB Objective # 108 (7112.03):
Increase by 7% the number of students passing the NC standardized test in writing, administered in grades 4 and 7 in each year of the 1997-99 biennium.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Percentage of non-exempt students within DSB passing the NC standardized tests in writing. (DSB)	**NA**	**12.5%**	**12.5%**	**25%**	**30%**	**41.7%**
Percentage of non-exempt students within DSDHH passing the NC standardized tests in writing. (DSDHH)	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**

Description of strategies or activities directed toward this objective:
- Provide appropriate early intervention (DSD/HH fund 1100)
- Stabilize student populations by numbers and characteristics (DSD/HH fund 1100 and DSB fund 1710)
- Utilize staff development to increase knowledge, improve skills and effect positive change in staff attitudes (DSD/HH fund 1100 and DSB fund 1710)
- Recruit and retain qualified personnel (DSD/HH fund 1100 and DSB fund 1710)
- Provide access to resources in personnel, services, and materials as needed to achieve this objective (DSD/HH fund 1100 and DSB 1710)
- Provide assessments and consultations for students in local school districts and technical assistance and training to their teachers and families through the Outreach program. (DSB fund 1710)

Innovations:
- Increased site-based management and empowerment to enhance authority of staff for decision-making.
- Enhancement of communication strategies internal and external to the school and agency.
- Increased child-centered and family-centered strategic planning

Division of Services for the Deaf and Hard of Hearing

Expected Outcome:
Students will develop computer literacy and useful computer skills.

P/PB Objective # 109 (7112.04)
Increase the percent of students passing the 8th grade NC Computer Literacy Test in each year of the 1997-99 biennium.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Percent of students within DSDHH passing the 8th grade NC Computer Literacy Test	N/A	N/A	N/A	N/A	N/A	N/A

Description of strategies or activities directed toward this objective:
- Stabilize student populations by numbers and characteristics (DSD/HH fund 1100)
- Utilize staff development to increase knowledge, improve skills and effect positive change in staff attitudes (DSD/HH fund 1100)
- Recruit and retain qualified personnel (DSD/HH fund 1100)
- Provide access to resources in personnel, services, and materials as needed to achieve this objective (DSD/HH fund 1100)

Innovations:
- Increased site-based management and empowerment to enhance authority of staff for decision-making.
- Enhancement of communication strategies internal and external to the school and agency.
- Increased child-centered and family-centered strategic planning.
- Connect all classrooms, dormitories, and offices together through the internet and LAN's.

Division of Services for the Deaf and Hard of Hearing
Division of Services for the Blind

Expected Outcome:
Students will increase social skills development and independent living skills. Graduates will decrease dependency on public assistance and become more self-sufficient.

P/PB Objective # 110 (7112.05):
Increase the percentage of students living independent of public assistance one year beyond graduation

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Percentage of students, excluding those in college, living independent of public assistance one year beyond graduation. (DSB)	**0**	**0**	**0**	**0**	**28.5%**	**37.5%**
Percentage of students, excluding those in college, living independent of public assistance one year beyond graduation. (DSD/HH)	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**

Description of strategies or activities directed toward this objective:
- Provide appropriate early intervention (DSD/HH fund 1100)
- Stabilize student populations by numbers and characteristics (DSD/HH fund 1100 and DSB fund 1710)
- Utilize staff development to increase knowledge, improve skills and effect positive change in staff attitudes (DSD/HH fund 1100 and DSB fund 1710)
- Recruit and retain qualified personnel (DSD/HH fund 1100 and DSB fund 1710)
- Provide access to resources in personnel, services, and materials as needed to achieve this objective (DSD/HH fund 1100 and DSB fund 1710)
- Provide assessments and consultations for students in local school districts and technical assistance and training to their teachers and families through the Outreach program. (DSB fund 1710)
- Provide independent living and transition programming (DSD/HH fund 1100)

Division of Services for the Deaf and Hard of Hearing
Division of Services for the Blind

Expected Outcome:
Exiting students will be able to maintain lifestyles of productivity and personal adjustment, as appropriate to age and developmental levels.

P/PB Objective # 111 (7112.06)
Increase by 5% per year for 1996-97 and 1997-98 the number of exiting students successful in post-school activities.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Percentage of exiting students within DSB successful in post-school activities. (DSB)	**15.8%**	**50%**	**42.1%**	**100%**	**100%**	**100%**
Percentage of exiting students within DSDHH successful in post-school activities. (DSD/HH)	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**

Description of strategies or activities directed toward this objective:
- Provide appropriate early intervention (DSD/HH fund 1100)
- Stabilize student populations by numbers and characteristics (DSD/HH fund 1100 and DSB fund 1710)
- Utilize staff development to increase knowledge, improve skills and effect positive change in staff attitudes (DSD/HH fund 1100 and DSB fund 1710)
- Recruit and retain qualified personnel (DSD/HH fund 1100 and DSB fund 1710)
- Provide access to resources in personnel, services, and materials as needed to achieve this objective (DSD/HH fund 1100 and DSB fund 1710)
- Provide assessments and consultations for students in local school districts and technical assistance and training to their teachers and families through the Outreach program. (DSB fund 1710)
- Provide independent living and transition programming (DSD/HH fund 1100)

Innovations:
- Increased site-based management and empowerment to enhance authority of staff for decision-making.
- Enhancement of communication strategies internal and external to the school and agency.
- Increased child-centered and family-centered strategic planning.

HOUSE APPROPRIATIONS SUBCOMMITTEE FOR HUMAN RESOURCES

Minutes
February 18, 1997
8:30

The North Carolina General Assembly House Appropriations Subcommittee on Human Resources met jointly with the Senate Appropriations Subcommittee on Tuesday, February 18, 1997, at 8:30 A.M. in Room 424 of the Legislative Office Building.

House Co-Chairman Representative Lanier Cansler presided. Other House members present were Representative Teresa Esposito, Appropriations Co-Chairman, Representative Charlotte Gardner, Co-Chairman, Representative Debbie Clary, Co-Chairman, Representatives Alma Adams, Henry Aldridge, Martha Alexander, J. W. Hurley, Edd Nye and Cindy Watson. All six Senate Subcommittee members were present.

Representative Cansler called the meeting to order at 8:30 A.M. Carol Shaw of Fiscal Research Division was asked to present the Medicaid Program Overview. The Representatives and Senators contributed to the overview with questions concerning the trial HMO programs, optional versus mandatory services, services for high risk children, contracts for eyeglasses under capitated programs, the impact of population increases on the cost of maintaining the programs, and numerous other issues.

The Committee received comments and answers to some of the Members' questions from Dick Perruzzi, Acting Director of the Division of Medical Assistance, Daphne Lyon, Assistant Director of Regional Affairs, and Patrice Rossler, County Commissioners Association.

Nearing the time for adjournment and reaching a convenient stopping point in the overview, Ms. Shaw suggested that the presentation be continued in the afternoon meeting.

Representative Cansler announced that the Committee would meet in the afternoon of this date fifteen minutes after the adjournment of the later of the House and Senate Sessions.

The meeting was adjourned at 9:50 A.M.

Respectfully submitted,

Presiding Co-Chairman - Representative Lanier M. Cansler

Barbara Cansler, Clerk

Attachment I	Agenda
Attachment II	Medicaid In North Carolina Annual Report State Fiscal Year 1996
Attachment III	Medicaid Program Overview
Attachment IV	Visitors Registration Sheet

AGENDA

Joint Subcommittee on Human Resources Appropriations

Legislative Office Building - Room 424
Tuesday, February 18, 1997
8:30 am

Division of Medical Assistance

Medicaid Program Overview	Carol Shaw Fiscal Research Division
Medicaid Managed Care Discussion	Committee
Division of Medical Assistance - 1997-99 Budget	Carol Shaw Fiscal Research Division
Committee Discussion	

DEPARTMENT OF HUMAN RESOURCES

MEDICAID PROGRAM OVERVIEW

FISCAL RESEARCH DIVISION
February 1997

MEDICAID PROGRAM

THREE PROGRAMS IN ONE

- HEALTH INSURANCE
- LONG TERM CARE FOR THE ELDERLY
- SERVICES FOR PEOPLE WITH DISABILITIES

MEDICAID

Medicaid is health care for certain groups of poor persons, including single parent families, persons over age 65 and the disabled. Coverage is based on a person falling into one of the target groups and passing income and resources tests. Medicaid is administered by states and counties and financed with federal, state and county funds.

MEDICARE

Medicare is health care for persons over age 65 and for the disabled who receive Social Security payments. It is administered by the Health Care Financing Administration and financed by employer/employee contributions to the Social Security Trust Fund.

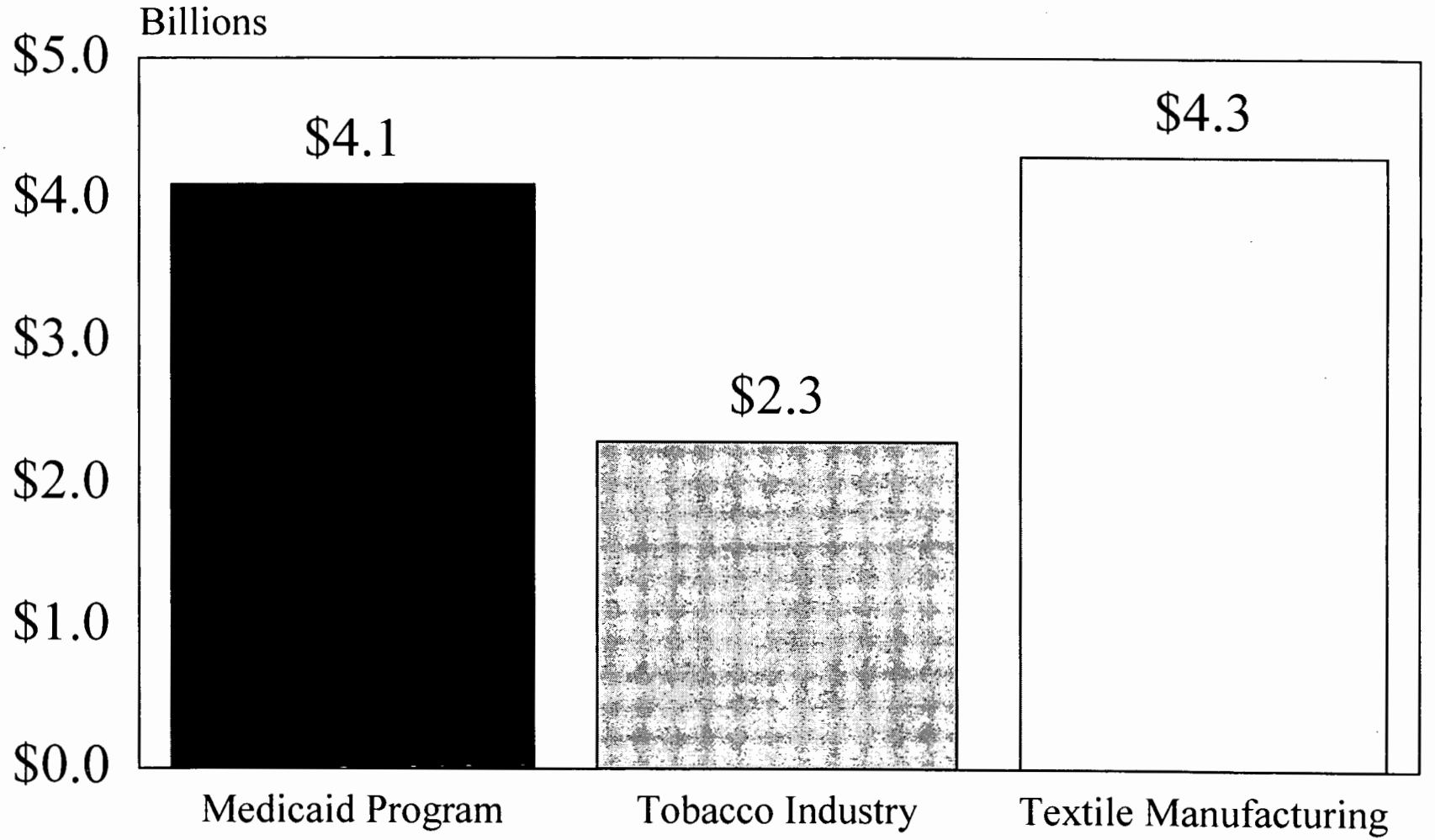
MEDICAID PROGRAM

N. C. MEDICAID SNAPSHOTS

- Covered 1.1 Million state residents in SFY 1995-96 -- 16% of N.C.'s population
- Covers 45% of the babies born each year
- 28 % of recipients consume 71 % of resources -- includes aged, blind, and disabled
- Inpatient care consumes 50 % of expenditures for services -- includes hospitals, nursing homes, and mental retardation centers
- 72 % of the state's nursing home beds serve Medicaid patients
- 14 % of N. C. hospital charges are paid by Medicaid -- 47% are paid by Medicare

MEDICAID PROGRAM

ROLE IN STATE ECONOMY



NOTE: Tobacco Industry includes the value of the 1996 crop and the estimated 1996 salaries and wages for tobacco manufacturing. Textile Manufacturing includes the estimated salaries and wages for the industry.

FISCAL RESEARCH DIVISION 2/97

MEDICAID PROGRAM

OTHER COMPARISONS

- The FY 1995-96 Medicaid Program expenditures are equal to the estimated total income of the citizens of Buncombe County for 1996.

- Assuming an average private sector salary of $25,092 for 1996, the FY 1995-96 Medicaid expenditures would pay the salary of 163,399 employees in the private sector.

MEDICAID PROGRAM

IMPACT ON STATE AGENCIES

- About 10% of the Medicaid budget is paid to State and Local agencies to provide medical services to Medicaid recipients

- The following State and Local agencies receive reimbursement from Medicaid: Mental Retardation Centers, State Psychiatric Hospitals, Special Care Center, N.C. Memorial, Area Mental Health Agencies, Public Health Departments, County Owned Home Health Agencies, and Some School Clinics

MEDICAID PROGRAM

HISTORY OF TOTAL EXPENDITURES

STATE FISCAL YEAR	TOTAL EXPENDITURES
1980-81	$507,602,694
1985-86	$758,115,890
1990-91	$1,942,016,092
1995-96	$4,113,344,777

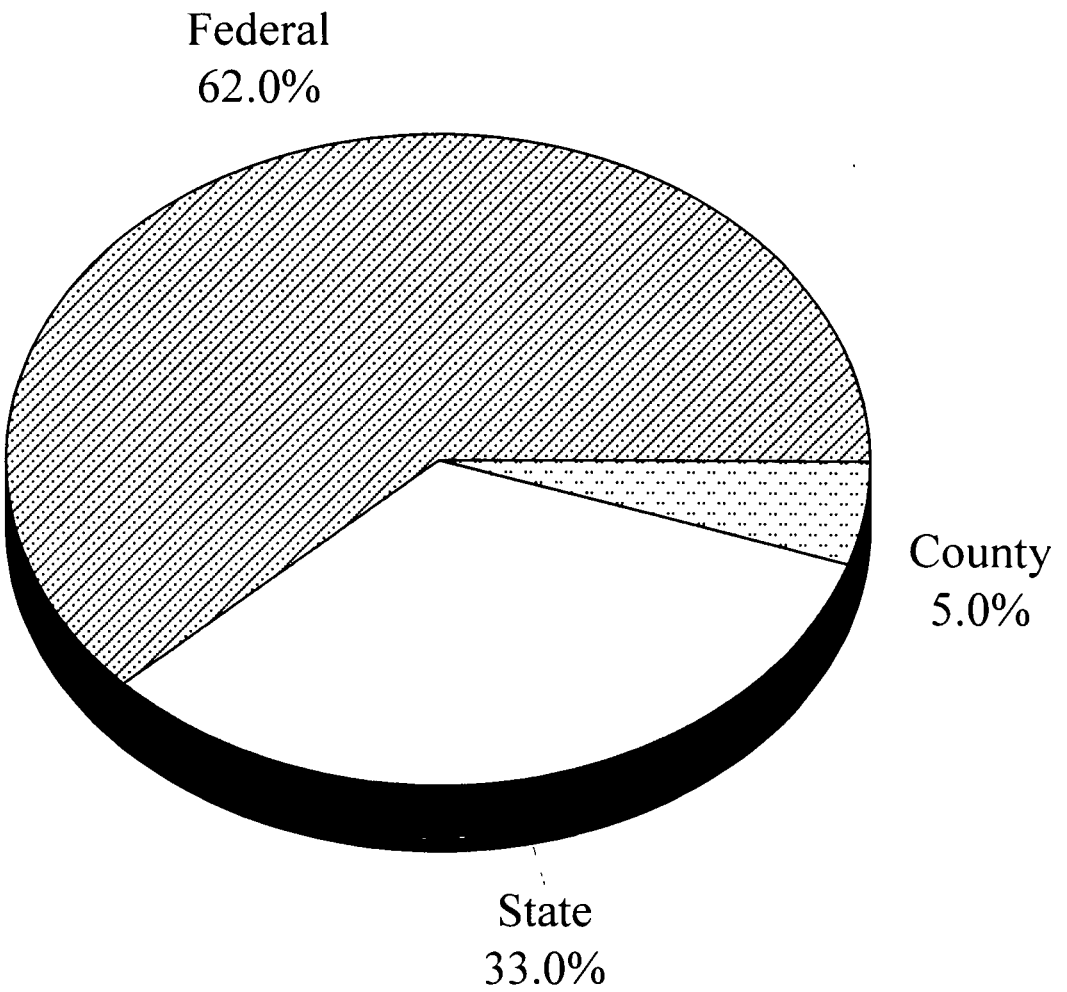
MEDICAID PROGRAM

EXPENDITURES 1995-96

SOURCES OF FUNDS	SFY 1995-96
FEDERAL	$2,600,855,361
STATE APPROPRIATIONS	$1,040,207,046
OTHER STATE FUNDS	$289,101,309
COUNTY	$183,181,061
TOTAL	**$4,113,344,777**

MEDICAID PROGRAM

SOURCE OF FUNDS

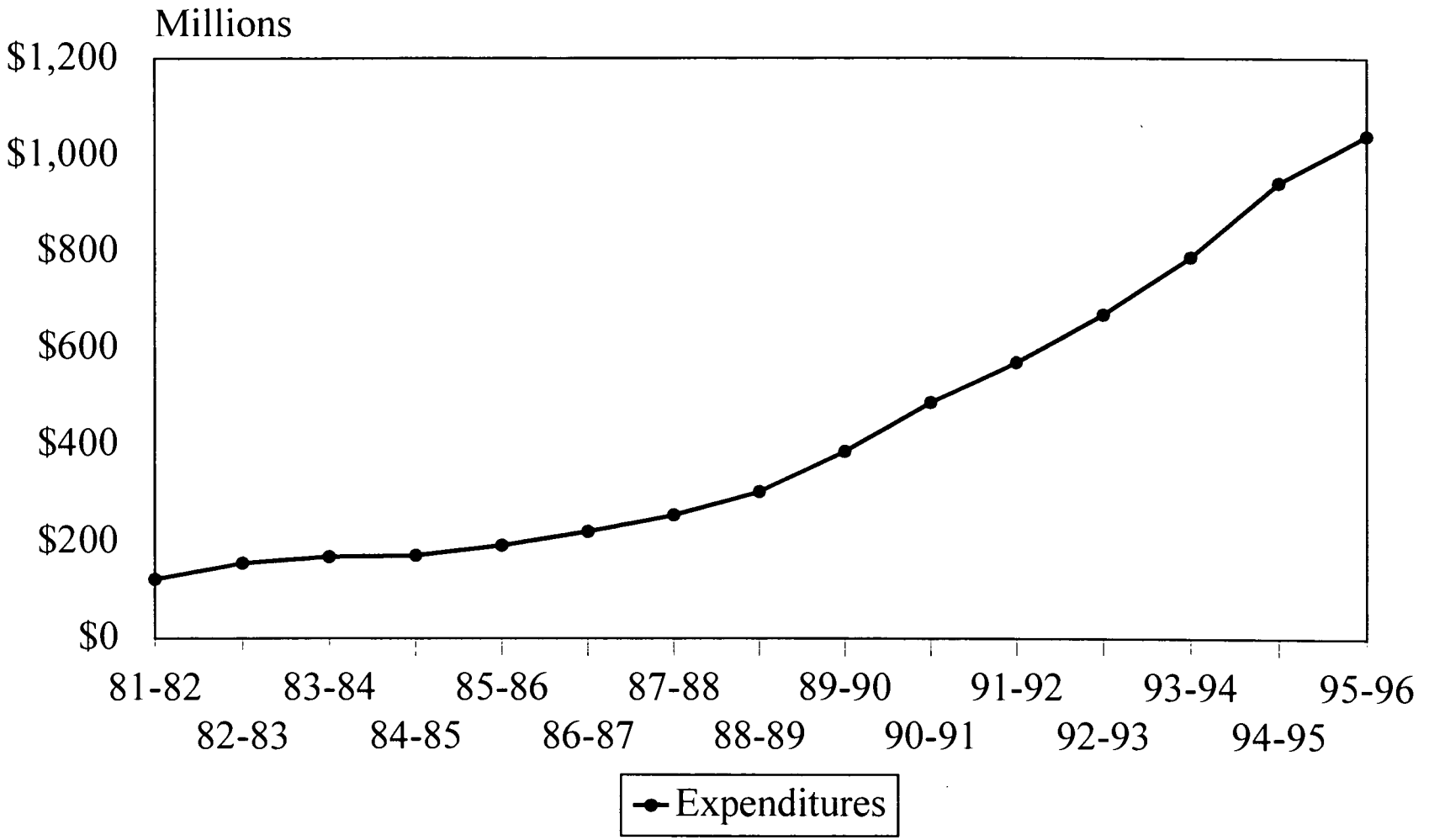


State Fiscal Year 1995-96

Fiscal Research Division 2/97

MEDICAID PROGRAM

HISTORY OF GENERAL FUND EXPENDITURES



MEDICAID PROGRAM

BUDGET RULES OF THUMB

- 10 YEARS AGO, MEDICAID WAS 4% OF THE GENERAL FUND OPERATING BUDGET; TODAY IT IS 11%

- A 1% INCREASE IN THE MEDICAID BUDGET EQUALS A $11 MILLION INCREASE IN GENERAL FUND REQUIREMENTS

MEDICAID PROGRAM

FACTORS AFFECTING GROWTH

- UTILIZATION
- INTENSITY
- INFLATION
- FEDERAL PARTICIPATION RATE

MEDICAID PROGRAM

METHODS FOR REDUCING COSTS

- ELIGIBLES
- PROVIDERS
- SERVICES

MEDICAID PROGRAM

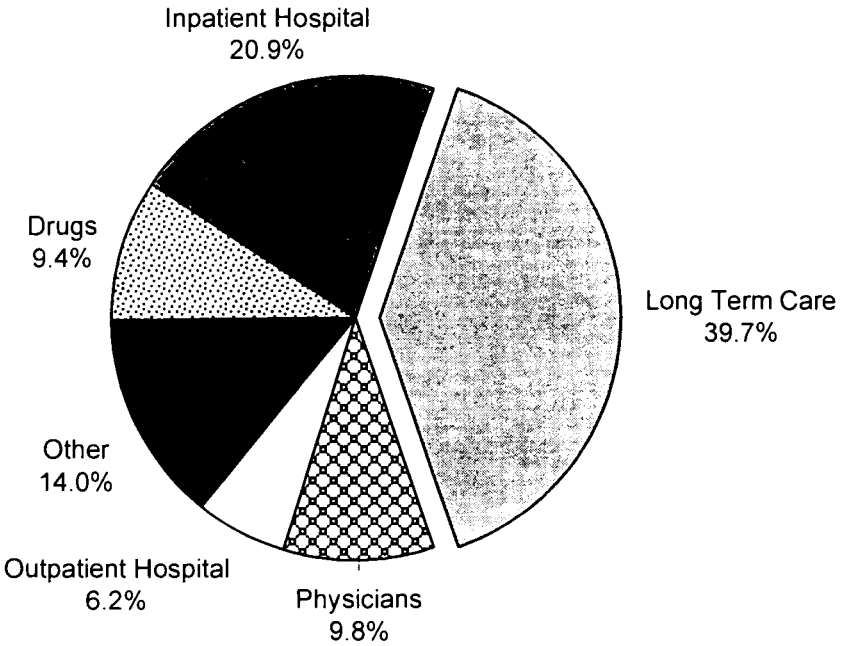
EXPENDITURES FOR SERVICES

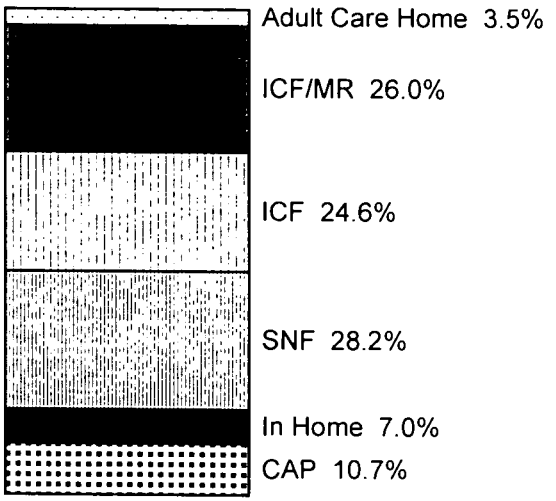
- Total expenditures for services and premiums was $3.6 Billion for SFY 1995-96.

- 95.8 % of expenditures for services paid for direct medical services while the remaining 4.2 % paid for Medicare and HMO premiums.

MEDICAID PROGRAM

EXPENDITURES BY SERVICES





MEDICAID PROGRAM

MANDATORY SERVICES

- Durable Medical Equipment
- Health Check Services (ESPDT)
- Family Planning Services
- Hearing Aids (children)
- Home Health Services
- Impatient Hospital Services
- Outpatient Hospital Services
- Laboratory & X-Ray Services
- Nurse Midwives
- Nurse Practitioners
- Nursing Facilities (NF)
- Physicians
- Prosthetics & Orthotics (children)
- Specialty Hospitals
- Transportation

MEDICAID PROGRAM

OPTIONAL SERVICES

- Ambulance Transportation
- Case Management for:
  - Pregnant Women
  - High Risk Children (0-5)
  - Chronically mentally ill adults
  - Emotionally disturbed children
  - Chronic substance abusers
  - At-Risk adults & Children
  - Persons with HIV disease
- Chiropractors
- Clinic Services
- Community Alternatives Program (CAP)
- Dental Care Services
- Home Infusion Therapy Services
- Hospice
- Intermediate Care Facilities for the Mentally Retarded (ICF-MR)
- Mental Hospitals (age 65 & over)
- Migrant Health Clinics
- Optical Supplies
- Optometrists
- Personal Care Services
- Podiatrists
- Prepaid Health Plan Services
- Prescription Drugs
- Private Duty Nursing Services
- Rehab. Services (mental health)
- Rural Health Clinics

MEDICAID PROGRAM

RETURN ON EQUITY (ROE) PAYMENTS

Fiscal Year	ROE Payments (GF)
1990-91	$939,785
1991-92	$1,236,692
1992-93	$1,240,795
1993-94	$1,338,532
1994-95	$1,389,503
1995-96	$1,446,614

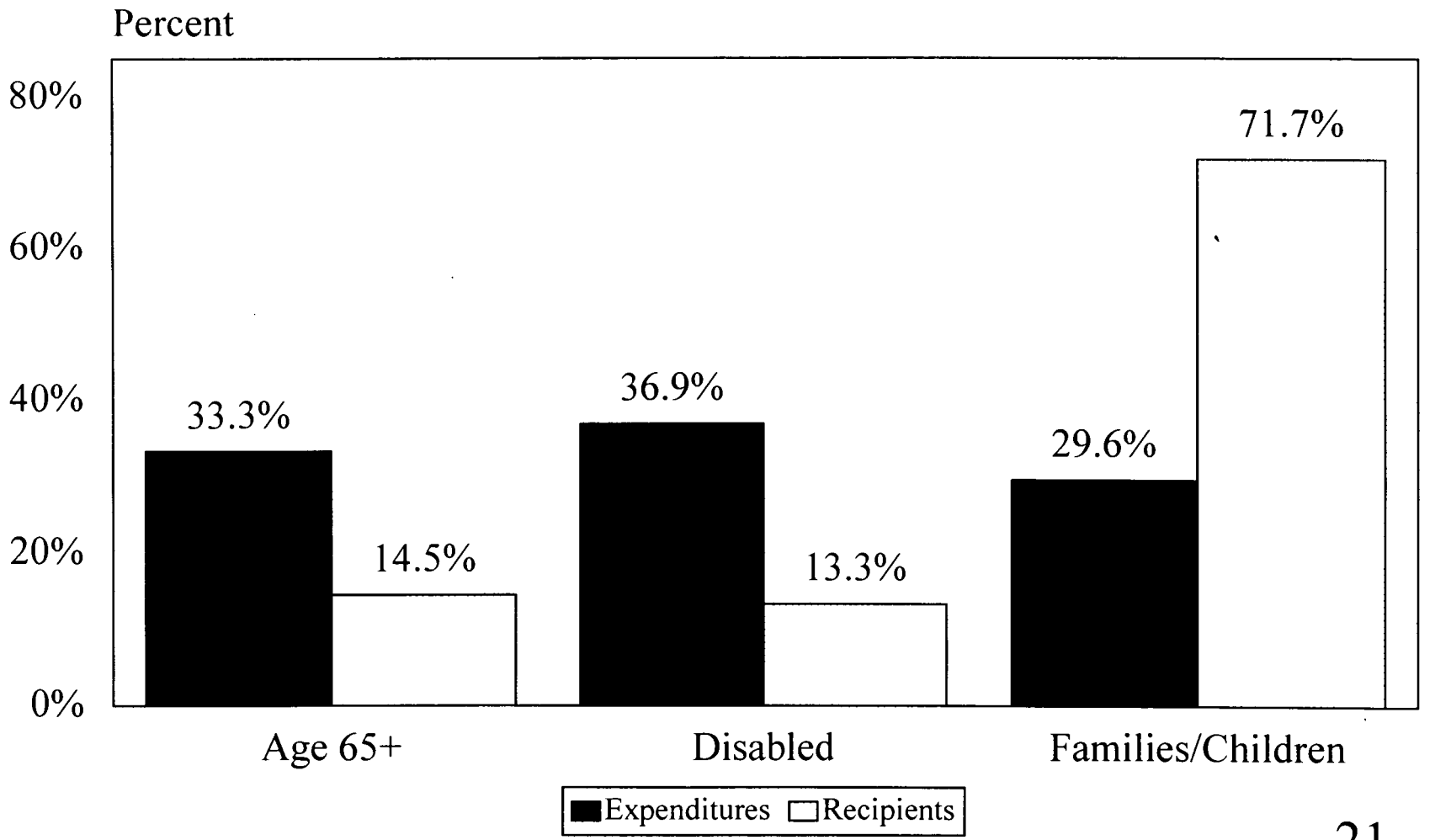
MEDICAID PROGRAM

DRUG REBATE PROGRAM

Fiscal Year	Rebate Collected
1991-92	$28,863,275
1992-93	$38,380,353
1993-94	$40,230,222
1994-95	$47,933,307
1995-96	$59,857,543

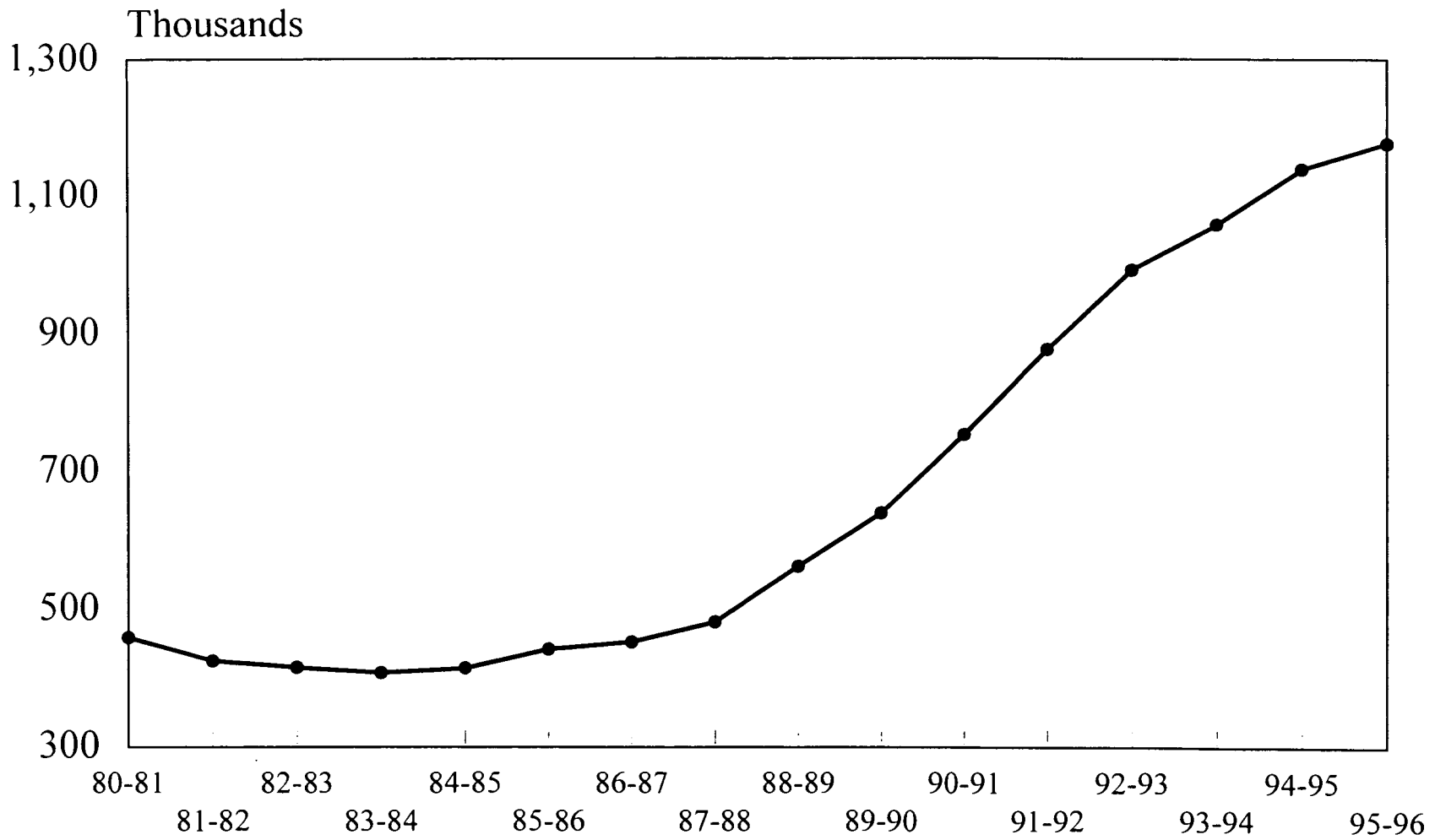
MEDICAID PROGRAM

RECIPIENTS AND EXPENDITURES



MEDICAID PROGRAM

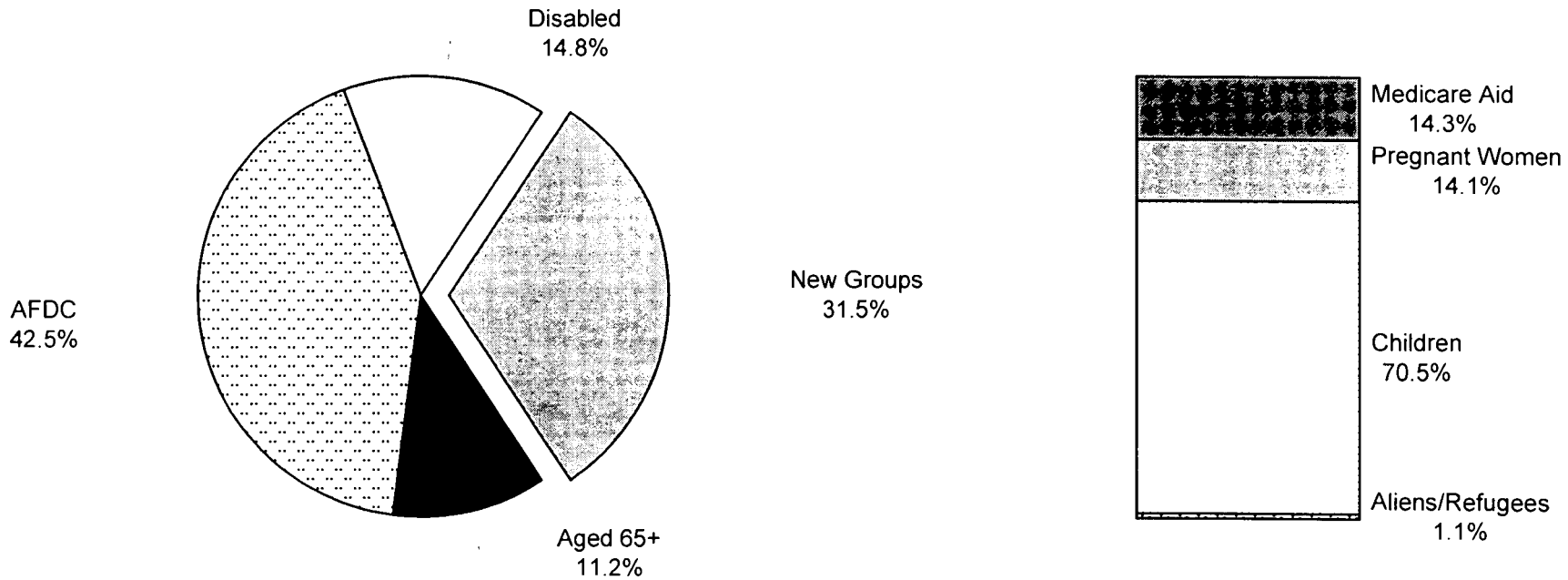
HISTORY OF ANNUAL ELIGIBLES



Fiscal Research Division 2/97

MEDICAID PROGRAMS

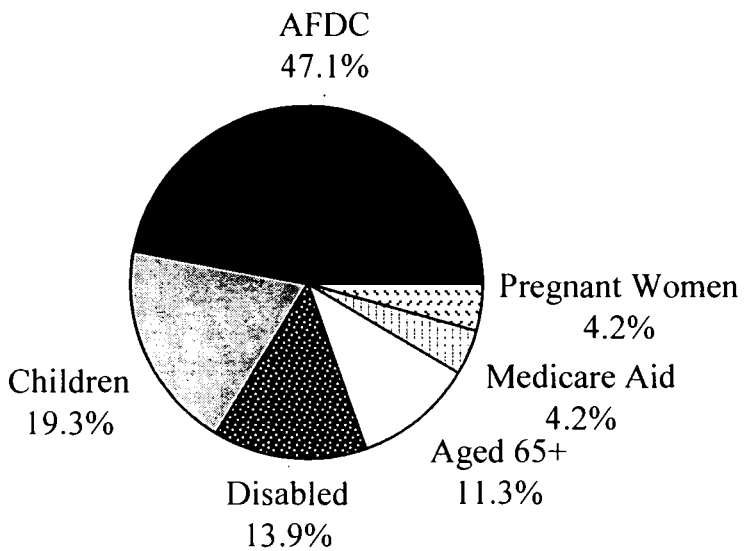
NEW GROUPS SINCE 1987



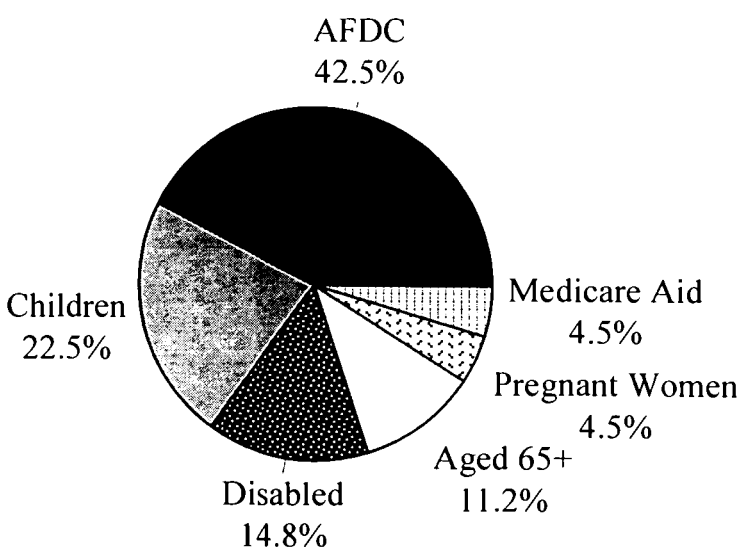
MEDICAID PROGRAM

MEDICAID ELIGIBLES

SFY 1995



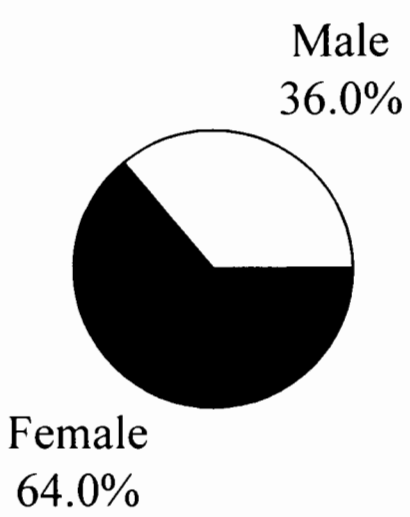
SFY 1996



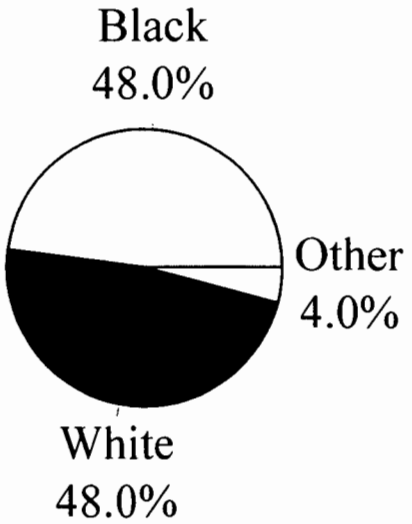
MEDICAID PROGRAM

RECIPIENT INFORMATION

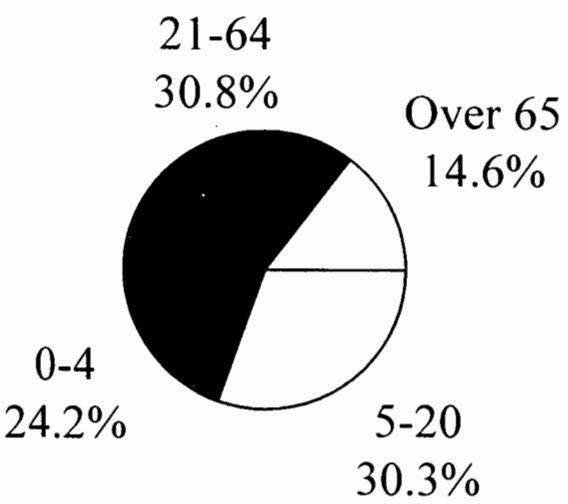
BY GENDER



BY RACE

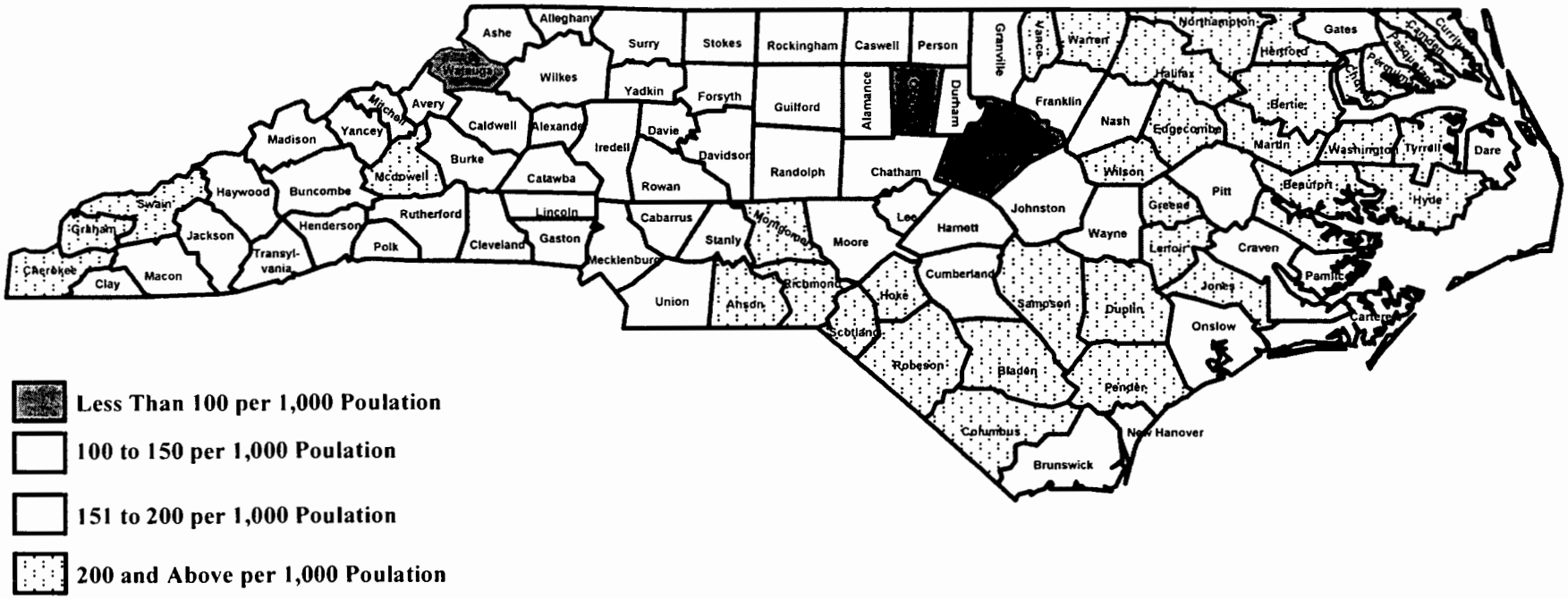


BY AGE



MEDICAID PROGRAM

Medicaid Eligibles per 1,000 County Population



Note: State Fiscal Year 1996

MEDICAID PROGRAM
MANDATORY ELIGIBLES

- AFDC Recipients (Based on State Plan as of July 16, 1996)
- Aged, Blind, and Disabled SSI Recipients
- Infants born to Medicaid eligible women (to 133% of FPL)
- Children under age 6 (to 133% of FPL)
- Pregnant Women (to 133% of FPL)
- All Children born after 9/30/83 (to 100% of FPL)
- Recipients of Adoption Assistance and Foster Care
- Certain Medicare Recipients
  - Dual Eligibles
  - Qualified Medicare Beneficiaries
  - Specified Low-Income Medicare beneficiaries
  - Qualified Disabled and Working Individuals

Note: FPL is the Federal Poverty Level

MEDICAID PROGRAM

OPTIONAL ELIGIBLES

- Infants born to Medicaid eligible women (134% to 185% of FPL)
- Pregnant Women (134% to185% of FPL)
- Children age 19, 20, and 21 meeting AFDC income standards
- Recipients of State/County Special Assistance
- Recipients of State Assistance to the Blind
- Persons recieving care under home and community-based waivers
- Aged, Blind, and Disabled persons presumed eligible for but not receiving SSI
- Institutionalized individuals with income and resources below specified limits
- Medically Needy persons

MEDICAID PROGRAM

1994 EXPANSION OF ELIGIBLES

- SSI ELIGIBLE ELDERLY, BLIND AND DISABLED PEOPLE EFFECTIVE 1/1/95 - 52,000 PERSONS

- CHILDREN AGES 11 TO 19 WITH FAMILY INCOMES UNDER 100% OF THE FEDERAL POVERTY GUIDELINES EFFECTIVE 7/1/94 - 31,700 CHILDREN

- ADOPTIVE CHILDREN WITH SPECIAL REHABILITATIVE NEEDS EFFECTIVE 10/1/94 - COVERAGE WITHOUT REGARD TO FAMILY INCOME

MEDICAID PROGRAM

RECENT LEGISLATIVE CHANGES

- Increased General Fund Appropriations for the Medicaid Program to $1 Billion for FY 1995-96 and $1.1 Billion for FY 1996-97

- Allowed DHR to draw down federal Medicaid funds to pay for existing personal care services provided in adult care homes for Medicaid recipients -- Total increase to the Medicaid program was $45.9 Million for FY 1995-96 and is estimated to be $70.3 Million for FY 1996-97

MEDICAID PROGRAM

Managed Care Initiatives

- CAROLINA ACCESS
- HEALTH CARE CONNECTION
- CAROLINA ALTERNATIVES

MEDICAID PROGRAM

CAROLINA ACCESS - GENERAL INFORMATION

- Coordinates care by linking eligible recipients with a primary care provider who has agreed to act as a gatekeeper and to provide or arrange for health care services.
- By improving access to primary care, the program promotes a continuity of care while helping to reduce inappropriate utilization and controlling costs.
- Implemented April 1991
- Participation is mandatory for all Medicaid eligibles except for special pregnant women coverage is excluded. Elderly and disabled with Medicare coverage have the option to participate.
- Currently serving over 295,000 recipients in 46 counties
- 2,678 Physicians participate in the program and are paid $2.50/$3.00 per month per enrolled recipient

MEDICAID PROGRAM

CAROLINA ACCESS - COST SAVINGS

- Cost savings from Carolina Access cannot be specifically identified because the program is not a specific line item in the Medicaid budget

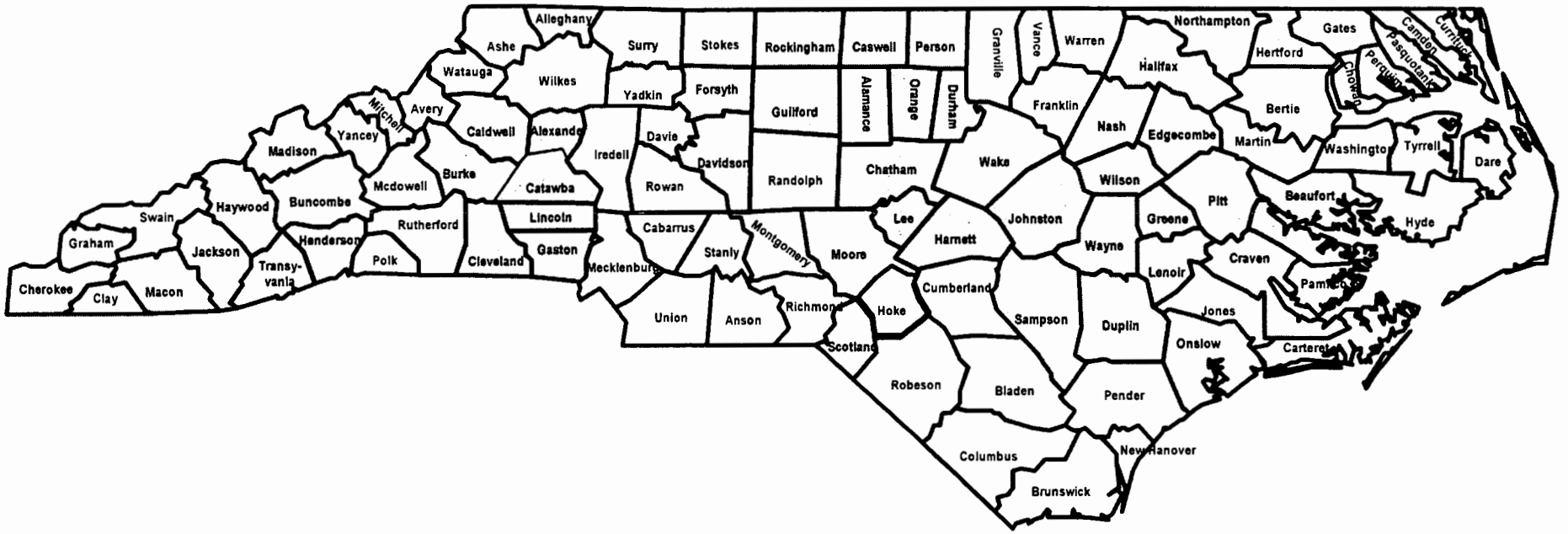
- Carolina Access may be helping to slow the rate of growth of the Medicaid program. Some indications of slower growth are as follows:

    - Overall growth in the cost per eligible participating in Carolina Access has slowed significantly during the past three years and in the case of children, the cost per child has decreased by 12.8%

    - For the first seven months of 1996-97, emergency room expenditures are down 7.2% and inpatient hospital expenditures show no growth

MEDICAID PROGRAM

CAROLINA ACCESS COUNTY ENROLLMENT



Access Counties

MEDICAID PROGRAM

HEALTH CARE CONNECTION - GENERAL INFORMATION

- A pre-paid capitated risk contract with a group of Health Maintenance Organizations (HMOs) to provide a comprehensive range of medical and other services to Medicaid recipients residing in Mecklenburg County
- Implemented July 1996
- Five HMOs and one Federally Qualified Health Center are currently participating in program
- Mandatory enrollment for AFDC recipients, children, and pregnant women - elderly and disabled recipients are excluded
- Current enrollment: 24,134 of 35,913 eligible
- Prescription drugs, mental health, and long-term care services are excluded from the capitated rate

MEDICAID PROGRAM

HEALTH CARE CONNECTION - COST SAVINGS

- Monthly capitated rates per eligible are 12% to 14% below the average monthly fee for service cost per eligible

- After the administrative costs for managing Health Care Connection are included, the net reduction for Health Care Connection is 8% below the projected statewide fee for service costs for 1995-96

- The 8% rate may be eroded in 1996-97 because of lower than projected growth rates for the other 99 counties

VISITOR REGISTRATION SHEET

Joint Human Resources — Feb 18 1997
Name of Committee — Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK.

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C.L. Cochran	UCPNC - Coalition 2001
Dave Richard	Advocacy
Wayne Mulligan	OSBM
Ken Wilson	NCAHCA
Craig Souza	NCACC
Bon Fuller	NCHFA
Derby Warren	myelf
[illegible]	OSPL
Whitney Obrig	DMHDDSAS
Suzanne Williams	Board Clerk
DAVE BRITTON	DHR
Jim Edgerton	DHR
Sue Kitchen	DHR
ANGIE McMillan	DHR

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Joint Human Resources — Feb 18 1997
Name of Committee — Date

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NAME	FIRM OR AGENCY AND ADDRESS
Barbara Mastalo	DHR, consultant.
Daphne Lyon	DHR - DMA
P. Perrigo	DHR - DMA
Mark Gambill	DHR - DMA
Tommy Worth	Carolina Health Care System
Lynne Perrin	DHR
Myrna Mills	NASW-NC
Polly Williams	NC Equity
Peer Jackson	NC HCFA
M Kaye	OSBM
Byron K. Harris	OSBM
Nels Roseland	OSBM
Peyton Maynard	gpm
Jay Simmons	NCARE - Coalition 2001

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Lynn Muchmore	Fiscal Research
Alicia Gruenebaum	Intern - Sen Perdue
Claire Gillard	Gov's Office
Patrice Roesler	NCACC
Amanda Davis	Sierra Club
Soren Schmidt	NCJCDC
Adam Searing	NC Health Access
Keith Ernst	NCJCDC
Pam Seamans	United Way of NC, Covenant of NC's Children
Beckie Street	PPAB

HOUSE APPROPRIATIONS SUBCOMMITTEE FOR HUMAN RESOURCES

Minutes
February 18, 1997
AFTERNOON

The North Carolina General Assembly House Appropriations Subcommittee on Human Resources met jointly with the Senate Appropriations Subcommittee on Tuesday afternoon, February 18, 1997, at 2:43 P.M. in Room 424 of the Legislative Office Building.

House Co-Chairman Representative Lanier Cansler presided. Other House members present were Representative Charlotte Gardner, Co-Chairman, Representative Debbie Clary, Co-Chairman, Representatives Alma Adams, Henry Aldridge, Martha Alexander, J. W. Hurley, Edd Nye and Cindy Watson. All six Senate Subcommittee members were present.

Representative Cansler called the meeting to order at 2:43 P.M. Carol Shaw of Fiscal Research Division continued with the Medicaid Program Overview. The Representatives and Senators contributed to the overview with questions they had with respect to the Overview.

The Committee received comments and answers to some of the Members' questions from various members of Staff.

After completion of the overview, Ms. Shaw continued with Managed Care and Carolina Access. Several of the Members of the Committee had comments and/or questions concerning HMOs and Carolina Access Program. A few of the concerns were participants being able to opt in and out at will, administration costs, capitated rates not including drugs, and information not complete with reference to expansion items.

Responding to questions were Members of Staff, Daphne Lyon, Assistant Director of Regional Affairs and Jim Edgerton, Assistant Secretary for Budget & Management.

The meeting was adjourned at 4:01 P.M.

Respectfully submitted,

Presiding Co-Chairman, Representative Lanier M. Cansler

Barbara Cansler, Clerk

Attachment I	Medicaid Beneficiaries and Low-Income Persons, 1994
Attachment II	Visitors Registration Sheet

Table 1-3: Medicaid Beneficiaries and Low-Income Persons, 1994

(Total and as a percentage of state and low-income populations)

State/Region	Medicaid Beneficiaries (thousands)	Total Population (thousands)	Total Low-Income Population (thousands)	Beneficiaries as a percent of State Population	Low-Income Persons as a Percent of State Population	Medicaid Beneficiaries as a Percent of Low-Income Population
United States—TOTAL	**34,183**	**262,157**	**57,175**	**13.0%**	**25.5%**	**50.9**
New England	1,525	13,263	2,443	11.5	18.4	62.4
Connecticut	344	3,256	497	10.6	15.3	69.2
Maine	176	1,279	347	13.8	27.1	50.8
Massachusetts	704	6,027	1,104	11.7	18.3	63.8
New Hampshire	83	1,143	186	7.2	18.2	44.6
Rhode Island	126	965	193	13.1	20.1	65.3
Vermont	92	593	116	15.5	19.6	79.1
Middle Atlantic	4,937	38,356	8,826	12.9	23.0	55.9
New Jersey	779	8,016	1,472	9.7	18.4	52.9
New York	2,903	18,235	4,777	15.9	26.2	60.8
Pennsylvania	1,255	12,105	2,577	10.4	21.3	48.7
South Atlantic	5,888	46,547	12,395	12.7	26.6	47.5
Delaware	75	723	152	10.3	31.0	49.0
District of Columbia	127	586	224	21.7	38.2	56.8
Florida	1,727	14,375	4,363	12.0	30.4	39.6
Georgia	1,070	7,002	1,832	15.3	26.2	58.4
Maryland	415	4,976	1,008	8.3	20.3	41.1
North Carolina	983	6,852	1,795	14.3	26.2	54.8
South Carolina	483	3,646	1,179	13.3	32.3	41.0
Virginia	642	6,574	1,219	9.8	18.5	52.8
West Virginia	366	1,813	622	20.2	34.3	58.8
East South Central	2,876	15,785	5,085	18.2	32.2	56.6
Alabama	538	4,209	1,361	12.8	32.3	39.5
Kentucky	621	3,784	1,182	16.4	31.2	52.5
Mississippi	526	2,603	1,005	20.2	38.6	52.3
Tennessee[2]	1,191	5,189	1,537	23.0	29.6	77.5
West South Central	3,997	28,727	9,069	13.9	31.6	44.1
Arkansas	337	2,455	876	13.7	35.7	38.5
Louisiana	757	4,282	1,568	17.7	36.6	48.3
Oklahoma	388	3,356	1,074	11.6	32.0	36.1
Texas	2,514	18,634	5,551	13.5	29.8	45.3
East North Central	5,195	43,628	9,855	11.9	22.6	52.7
Illinois	1,441	11,812	2,722	12.2	23.0	52.9
Indiana	601	5,814	1,348	10.3	23.2	44.8
Michigan	1,187	9,605	2,198	12.4	22.9	54.0
Ohio	1,496	11,321	2,529	13.2	22.3	59.2
Wisconsin	470	5,075	1,058	9.3	20.8	44.5
West North Central	1,928	17,979	4,155	10.7	23.1	46.4
Iowa	302	2,824	586	10.7	20.8	51.5
Kansas	252	2,518	546	10.0	21.7	46.1
Minnesota	413	4,396	876	9.4	19.9	47.1
Missouri	669	5,240	1,504	12.8	28.7	44.5
Nebraska	159	1,655	310	9.6	18.7	51.3
North Dakota	62	629	138	9.9	22.0	45.2
South Dakota	72	717	195	10.0	27.2	36.7
Mountain	1,560	15,486	3,718	10.1	24.0	42.0
Arizona[2]	509	4,142	1,137	12.3	27.5	44.7
Colorado	287	3,661	699	7.8	19.1	41.0
Idaho	110	1,181	292	9.3	24.7	37.7
Montana	95	865	228	11.0	26.3	41.7
Nevada	96	1,526	317	6.3	20.8	30.1
New Mexico	258	1,664	532	15.5	32.0	48.4
Utah	157	1,958	397	8.0	20.3	39.6
Wyoming	50	490	117	10.1	23.9	42.5
Pacific	6,275	42,387	11,629	14.8	27.4	54.0
Alaska	69	576	138	12.0	24.0	49.8
California	5,008	32,218	9,531	15.5	29.6	52.5
Hawaii	119	1,150	256	10.4	22.3	46.6
Oregon	411	3,123	721	13.2	23.1	57.0
Washington	668	5,319	982	12.6	18.5	68.0

Source: Urban Institute, cited in *Medicaid Expenditures and Beneficiaries: National and State Profiles and Trends, 1988-1994*, 2nd ed., Kaiser Commission on the Future of Medicaid, table 6, in press.

The Urban Institute based calculations on HCFA 2082 and projections from the March 1994 Current Population Survey. Totals may not add due to rounding, Beneficiaries are defined as individuals who actually received services in that year, and not all people enrolled in Medicaid.

[1] Low-income defined as under 150 percent of the federal poverty guideline, which was $12,320 for a family of three in 1994.

[2] For Arizona and Tennessee, expenditures and beneficiaries are based on data reported directly by the state. Adjustments were made to categorize these numbers in the same manner as other states report to HCFA.

Table 1-13: Medicaid Expenditures by State, 1994

(By type of service—$ millions)

State/Region	Total	Acute Care			Long-Term Care	DSH* Paymen
		Services	Medicare	HMOs		
United States—TOTAL	$137,112	$60,999	$3,376	$6,804	49,044	16,890
New England	9,952	3,497	257	371	4,219	1,609
Connecticut	2,424	709	102	0	1,204	409
Maine	932	362	31	10	364	165
Massachusetts	4,698	1,781	97	348	1,928	541
New Hampshire	830	158	10	10	271	380
Rhode Island	787	347	10	2	333	95
Vermont	284	140	6	0	119	19
Middle Atlantic	32,447	12,276	367	1,057	14,391	4,357
New Jersey	4,793	1,819	74	45	1,822	1,034
New York	21,223	8,516	169	435	9,596	2,507
Pennsylvania	6,432	1,941	124	577	2,973	817
South Atlantic	20,139	10,491	681	798	6,205	1,964
Delaware	281	150	4	1	120	6
District of Columbia	790	377	9	38	314	53
Florida	5,347	2,715	290	544	1,513	285
Georgia	3,274	2,015	95	0	808	355
Maryland	2,246	1,167	48	207	675	151
North Carolina	3,175	1,491	105	8	1,181	390
South Carolina	1,900	857	49	0	513	481
Virginia	1,871	971	50	0	710	140
West Virginia	1,254	749	30	0	371	103
East South Central	7,659	3,453	288	898	2,270	751
Alabama	1,769	740	66	1	545	417
Kentucky	1,867	1,160	56	0	584	67
Mississippi	1,330	743	70	0	358	158
Tennessee[1]	2,694	810	95	897	783	108
West South Central	14,317	7,081	412	0	3,957	2,866
Arkansas	1,074	528	47	0	497	3
Louisiana	4,065	1,701	68	0	969	1,326
Oklahoma	1,041	513	44	0	459	24
Texas	8,137	4,339	252	0	2,033	1,513
East North Central	20,780	9,452	430	1,200	7,978	1,720
Illinois	5,286	2,871	138	143	1,833	300
Indiana	2,811	1,167	30	223	1,096	295
Michigan	4,930	2,281	85	402	1,546	615
Ohio	5,499	2,311	62	245	2,383	498
Wisconsin	2,256	823	114	187	1,120	12
West North Central	8,258	3,252	327	202	3,539	938
Iowa	1,089	524	106	1	452	6
Kansas	981	376	30	0	409	165
Minnesota	2,470	888	32	175	1,331	44
Missouri	2,533	923	123	25	750	713
Nebraska	615	300	25	0	281	9
North Dakota	279	110	3	0	165	1
South Dakota	291	131	8	0	151	0
Mountain	5,101	2,095	95	961	1,650	299
Arizona[1]	1,571	193	21	884	368	106
Colorado	1,119	535	20	34	424	106
Idaho	312	171	5	0	135	.4
Montana	344	173	12	0	159	.3
Nevada	418	198	7	17	123	74
New Mexico	665	439	15	0	203	8
Utah	513	307	12	25	163	5
Wyoming	158	80	3	0	76	.0
Pacific	18,458	9,401	519	1,317	4,835	2,386
Alaska	288	190	4	0	77	17
California	14,065	7,436	443	906	3,270	2,009
Hawaii	458	215	17	42	154	30
Oregon	1,105	454	21	165	444	21
Washington	2,543	1,106	35	205	889	309

Source: Urban Institute, cited in *Medicaid Expenditures and Beneficiaries: National and State Profiles and Trends, 1988-1994*, 2nd ed., Kaiser Commission on the Future of Medicaid, table 16, in press.

Urban Institute calculations based on HCFA 64 data. *DSH = Disproportionate share hospital.
Total spending for all categories in 1994 was approximately $143.7 billion.
[1] For Arizona and Tennessee, expenditures and beneficiaries are based on data reported directly by the state. Adjustments were made to categorize these numbers in the same manner as other states report to HCFA.

VISITOR REGISTRATION SHEET

Joint Human Resources — Feb 18, 1997
Name of Committee — Date

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Doris B. Dick	Speaker, NC General Assembly
David Simmons	Zeb Alley, PA
Tommy Smith	Carolina HealthCare System
Adam Searing	NC Health Access Coalition
Evelyn Hawthorne	NCHA
Mary Carindia	Mecklenburg County
Helen Lipman	" "
[illegible]	OSPL
Suzanne Williams	Bone & Assoc./Long Term Care
Lou Wilson	NCALTCF
Craig Souza	NCHCFA
Roger Bone	Bone & Assoc / NCALTCF
Patrice Carder	NCACC
Heidi Roesler	

VISITOR REGISTRATION SHEET

JOINT HUMAN RESOURCES — FEB 18 1997
Name of Committee — Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK.

NAME	FIRM OR AGENCY AND ADDRESS
Claire Sibley	Governor's Office
NELS ROSELAND	STATE BUDGET
Sonja Schmidt	NCJCDC
Patricia A. Yancey	APPC NC / State Comm for Social Legis.
Stan Willis	United Healthcare of NC
Jan Ramquist	NCSOS

HOUSE APPROPRIATIONS SUBCOMMITTEE FOR HUMAN RESOURCES

Minutes
February 19, 1997
8:30

The North Carolina General Assembly House Appropriations Subcommittee on Human Resources met jointly with the Senate Appropriations Subcommittee on Wednesday, February 19, 1997, at 8:30 A.M. in Room 424 of the Legislative Office Building.

House Co-Chairman Representative Lanier Cansler presided. Other House members present were Representative Charlotte Gardner, Co-Chairman, Representative Debbie Clary, Co-Chairman, Representatives Alma Adams, Henry Aldridge, Martha Alexander, Edd Nye and Cindy Watson. All six Senate Subcommittee members were present.

Representative Cansler called the meeting to order at 8:34 A.M. Carol Shaw of Fiscal Research Division continued with the Medicaid Program Overview. Several questions and comments came form the Representatives and Senators concerning the map of eligibility, breakdown of the reported positions, whether the State went over or under budget, what cuts were made, the true cost for the program, utilization, comparison of 97-98 to 98-99. Many of the questions were not answered but research and answers will be coming to the Committee. Allen Gambill, Head of Operations at DHR gave a brief report on the changes in federal participation rate. Some of the areas of concern were base rate of computation, where the money goes, drug rebate, and recalculated rate. Rep. Cansler was particularly concerned why the rate was based on two months only - November and December, 1996. Also, questions about new beds coming on line in adult care home, projections of new beds, and eligibility. During these questions, information concerning these subjects was given by Nina Gager, State Budget Office, and Dick Perruzzi, Acting Director of the Division of Medical Assistance.

Representative Cansler adjourned the meeting at 9:50 A.M.

Respectfully submitted,

Presiding Co-Chairman - Representative Lanier M. Cansler

Barbara Cansler, Clerk

Attachment I	Agenda
Attachment II	Medicaid Program - Medicaid Eligibles per 1,000 County Population
Attachment III	Medicaid Program - Carolina Access County Enrollment
Attachment IV	Managed Care Rates
Attachment V	Visitors Registration Sheet

AGENDA

Joint Subcommittee on Human Resources Appropriations

Legislative Office Building - Room 424
Tuesday, February 19, 1997
8:30 am

Division of Medical Assistance

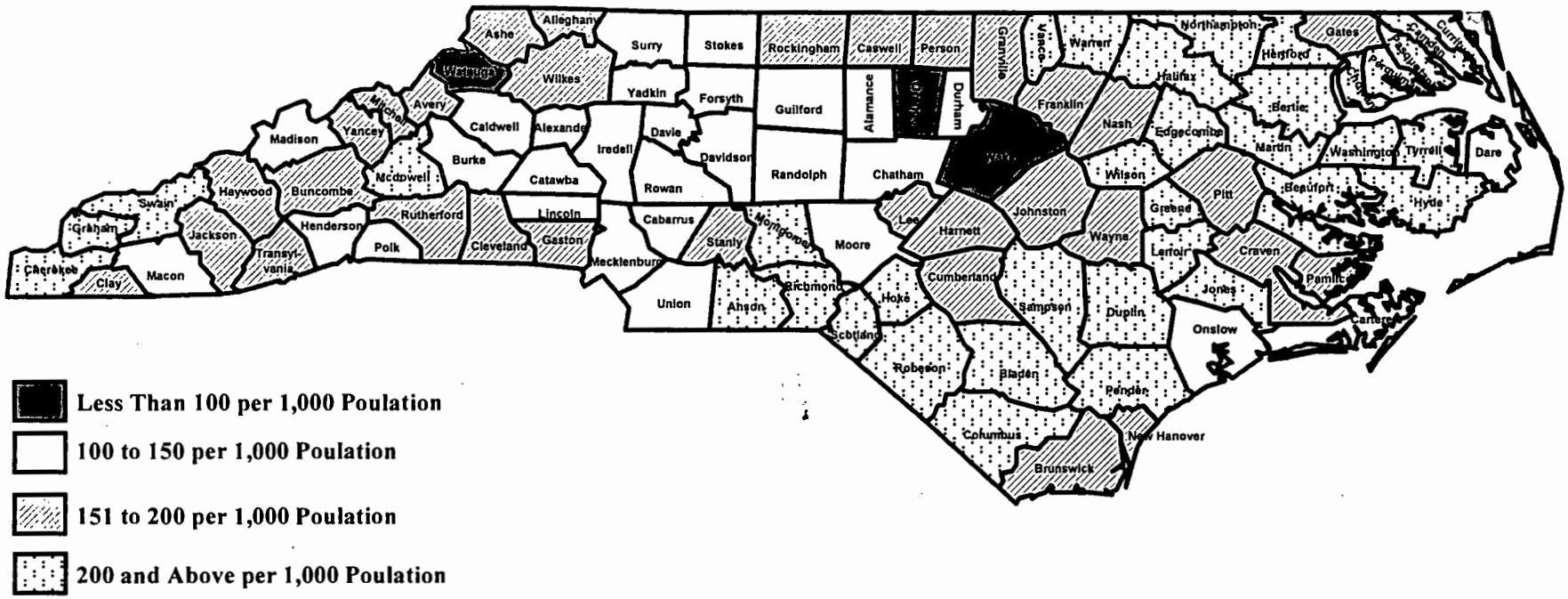
Division of Medical Assistance - 1997-99 Budget	Carol Shaw Fiscal Research Division

Committee Discussion

The Joint Full Appropriations Committee will meet this afternoon to discuss the Financial Model. The DHR subcommittee will not meet.

MEDICAID PROGRAM

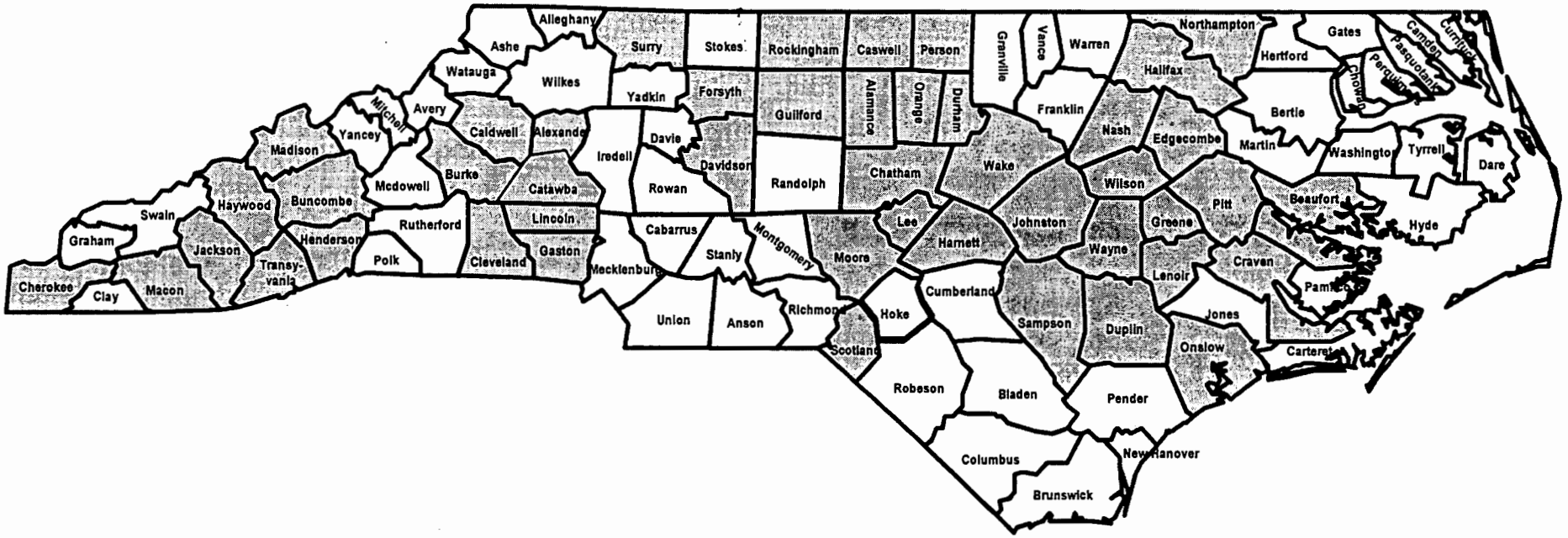
Medicaid Eligibles per 1,000 County Population



Note: State Fiscal Year 1996

MEDICAID PROGRAM

CAROLINA ACCESS COUNTY ENROLLMENT



Access Counties

DEPARTMENT OF HUMAN RESOURCES

DIVISION OF MEDICAL ASSISTANCE 1997-99 BUDGET

FISCAL RESEARCH DIVISION
FEBRUARY 1997

DIVISION OF MEDICAL ASSISTANCE

1997-99 TOTAL CONTINUATION BUDGET

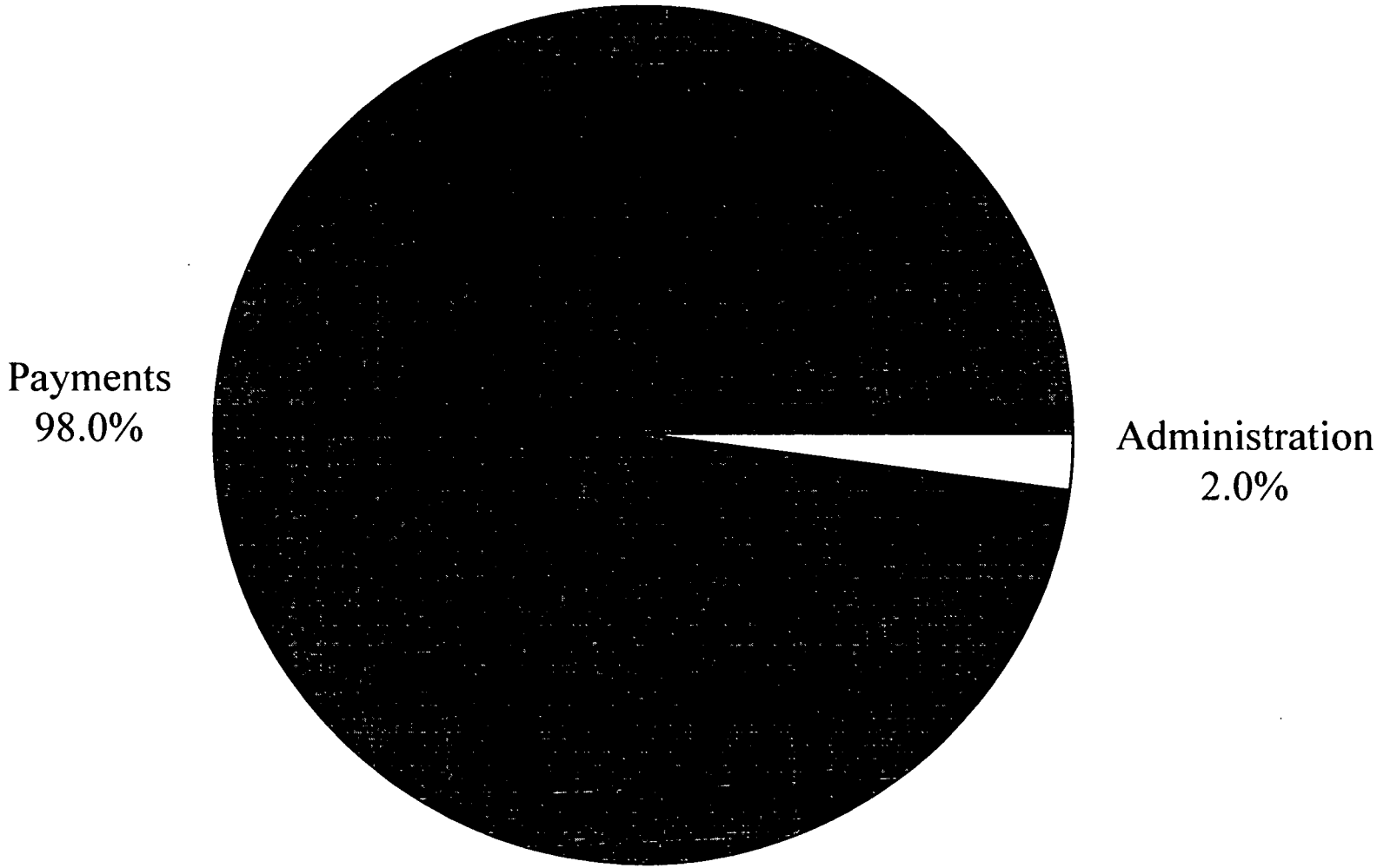
Description	1995-96 Actual	1996-97 Authorized	1997-98 Recommended	1998-99 Recommended
Total Requirements	$4,117,852,544	$4,082,039,060	$4,349,171,040	$4,720,357,838
Total Estimated Receipts	($3,077,645,486)	($2,909,936,545)	($3,082,656,940)	($3,325,631,381)
Net Appropriation	**$1,040,207,058**	**$1,172,102,515**	**$1,266,514,100**	**$1,394,726,457**

Reference Documents:

Continuation Budget	Volume 3, Pages R(3)-1 through R(3)-21
Performance/Program Budget	Volume 7A, Pages 1-183 through 1- 197

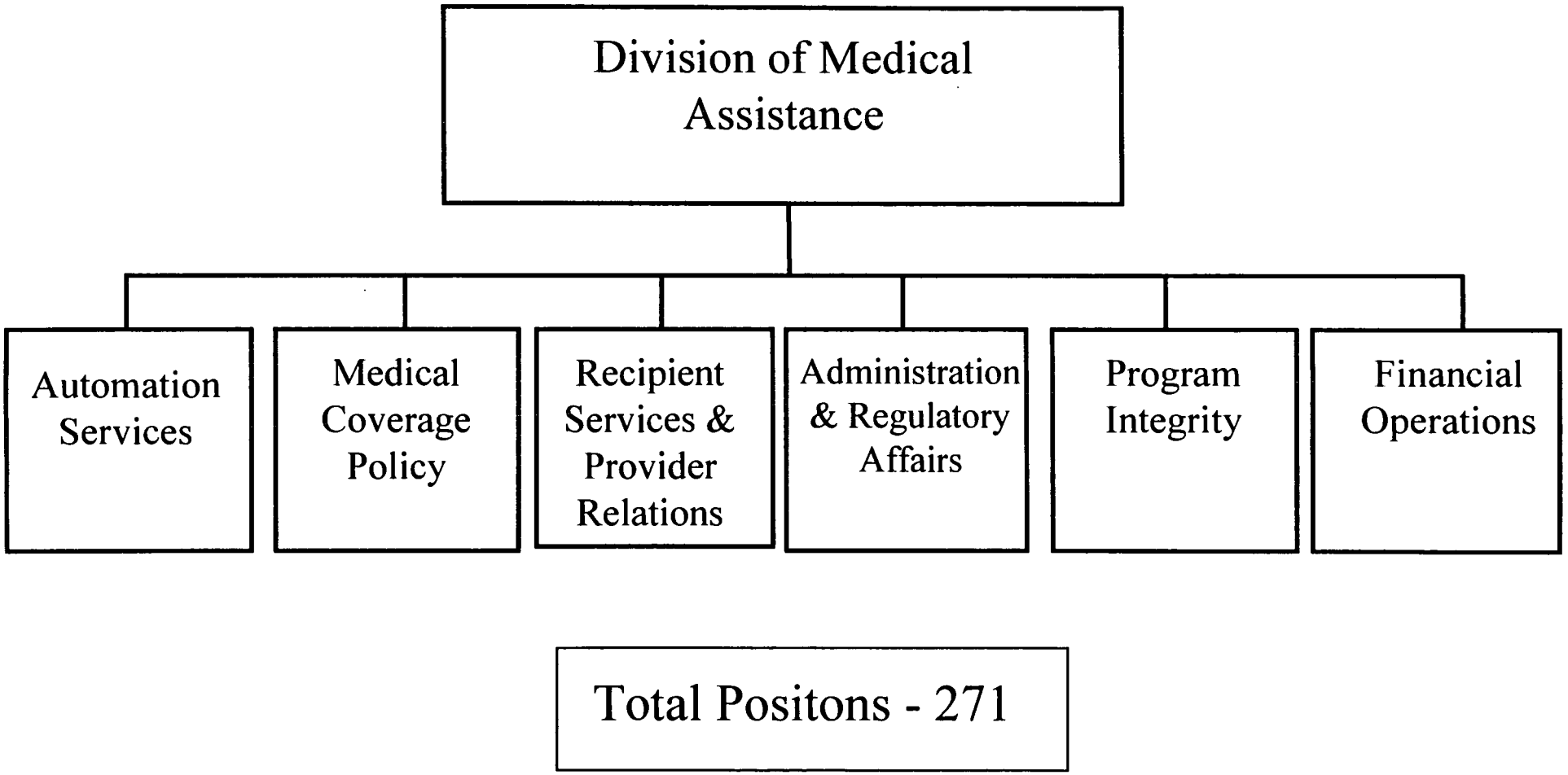
DIVISION OF MEDICAL ASSISTANCE

WHERE GENERAL FUND DOLLARS GO



Fiscal Research Division 2/97

DIVISION OF MEDICAL ASSISTANCE



Total Positons - 271

DIVISION OF MEDICAL ASSISTANCE
1997-99 CONTINUATION BUDGET

MEDICAL ASSISTANCE PAYMENTS (Fund 1310)

Description	1995-96 Actual	1996-97 Authorized	1997-98 Recommended	1998-99 Recommended
Total Requirements	$3,549,309,274	$3,976,083,064	$4,234,202,717	$4,602,218,238
Total Estimated Receipts	($2,692,614,430)	($2,824,649,276)	($2,988,879,711)	($3,229,081,433)
Net Appropriation	**$856,694,844**	**$1,151,433,788**	**$1,245,323,006**	**$1,373,136,805**

The Medical Assistance Payment Fund budgets the payments to the providers of medical and other services for Medicaid recipients. Payments to providers represent 98% of the total budget for the Division of Medical Assistance.

The Governor's Continuation Budget already includes the ($36,617,760) reduction for 1997-98 and the ($43,086,687) reduction for 1998-99 which is shown on page 71 of his Summary of Recommendations.

MEDICAL ASSISTANCE PAYMENTS

Budget Increases (In Millions)

GROWTH FACTOR	GF 1997-98	GF 1998-99
Inflation	$52.1	$65.9
Utilization	$45.2	$44.0
Intensity	$9.6	$2.6
Total	**$106.9**	**$109.5**

DEPARTMENT OF HUMAN RESOURCES
DIVISION OF MEDICAL ASSISTANCE
FINANCIAL OPERATIONS
1997-99 BIENNIUM BUDGET PROJECTIONS

PROJECTED INFLATION RATES

ACCOUNT	CATEGORY OF SERVICE	SFY 1996-97 PROJECTED INFLATION RATES	SFY 1997-98 PROJECTED INFLATION RATES	SFY 1998-99 PROJECTED INFLATION RATES
536101	HOSP INPT-GENERAL	5.10%	4.77%	5.30%
536102	HOSP INPT-SPECIALITY	5.10%	4.77%	5.30%
536103	HOSP INPT-MTL, SO < 21	0.00%	0.00%	0.00%
536104	HOSP OUTPT-MTL, SO <21	0.00%	0.00%	0.00%
53610A	HOSP INPT-MTL, NSO < 21	5.10%	4.77%	5.30%
53610B	HOSP INPT-MTL, NSO > 65	5.10%	4.77%	5.30%
536106	HOSP INPT-MTL, SO > 65	0.00%	0.00%	0.00%
536107	HOSP OUTPT-MTL, SO >65	0.00%	0.00%	0.00%
536108	HOSP OUTPT-MTL, NSO	12.38%	5.67%	6.00%
536109	LTC-SNF SO AND NSO	4.50%	4.27%	4.70%
536110	LTC NF-SNF SWING BEDS	4.50%	4.27%	4.70%
536111	LTC-ICF SO AND NSO	4.50%	4.27%	4.70%
536112	LTC NF-ICF SWING BEDS	4.50%	4.27%	4.70%
536113	LTC-ICF MRC, NSO	3.40%	0.00%	0.00%
536114	LTC-ICF MRC, SO	0.00%	0.00%	0.00%
536115	PHYSICIAN	3.50%	3.17%	4.00%
536116	DENTAL	3.50%	3.17%	4.00%
536117	OPTICAL SUPPLIES	3.50%	3.67%	4.00%
536118	CHIROPRACTIC	3.50%	3.17%	4.00%
536119	OPTICAL	6.00%	3.17%	4.00%
536120	PODIATRY	3.50%	3.17%	4.00%
536121	HOSP OUTPT-GENERAL	12.00%	5.67%	6.00%
536122	HOSP OUTPT-SPECIALITY	12.00%	5.67%	6.00%
536123	CLINICS-MENTAL HEALTH-FSO	6.00%	5.67%	6.00%
536124	CLINICS-HEALTH DEPT	6.00%	5.67%	6.00%
536125	CLINICS-FREE STANDING	6.00%	5.67%	6.00%
536126	CLINICS-RURAL HEALTH	6.00%	5.67%	6.00%
536128	LAB AND X-RAY	3.50%	3.17%	4.00%
536129	LTC HOME HEALTH	3.50%	3.17%	3.60%
536130	PRESCRIBED DRUGS	3.50%	9.67%	10.00%
536132	FAMILY PLAN-STERILIZATION	5.10%	4.77%	5.30%
536133	FAMILY PLAN-HOSP INPT	5.10%	4.77%	5.30%
536134	FAMILY PLAN-HOSP OUTPT	12.00%	5.67%	6.00%
536135	FAMILY PLAN-PHYSICIAN	3.50%	3.17%	4.00%
536136	FAMILY PLAN-HEALTH DEPT	6.00%	5.67%	6.00%
536137	FAMILY PLAN-FREE STANDING	6.00%	5.67%	6.00%
536139	HEALTH CHECK-HEALTH DEPT	6.00%	5.67%	6.00%
536140	PART B BUY-IN NON CASH	15.57%	10.37%	10.70%
536141	PART B BUY-IN CAT NEEDY	15.57%	10.37%	10.70%
536142	AMBULANCE	3.50%	3.17%	3.50%
536143	HEARING AIDS	4.00%	3.67%	4.00%
536144	LTC PERSONAL CARE	3.50%	3.17%	3.50%
536146	HEALTH CHECK-RURAL HLTH CT	5.00%	5.67%	6.00%
536147	HEALTH CHECK-OTHER PROV	5.00%	4.67%	5.00%
536148	FAMILY PLAN-RURAL HLTH CTR	5.00%	5.67%	6.00%
536149	FAMILY PLAN-DRUGS	3.50%	4.67%	5.03%

DEPARTMENT OF HUMAN RESOURCES
DIVISION OF MEDICAL ASSISTANCE
FINANCE AND OPERATIONS
1997-99 BIENNIUM BUDGET PROJECTIONS

PROJECTED INFLATION RATES

ACCOUNT	CATEGORY OF SERVICE	SFY 1996-97 PROJECTED INFLATION RATES	SFY 1997-98 PROJECTED INFLATION RATES	SFY 1998-99 PROJECTED INFLATION RATES
536150	DRUG REBATE	0.00%	0.00%	0.00%
536152	HOSP INPT-LONG TERM CARE	4.50%	4.77%	5.30%
536153	CAROLINA ALT - MGD CARE	0.00%	3.67%	4.00%
536154	HOSP OUTPT-EMERGENCY ROO	12.00%	5.67%	6.00%
536155	LTC NF-HEAD LEVEL OF CARE	4.50%	4.27%	4.70%
536156	HOSP INPT-GENERAL-XOVERS	5.00%	4.77%	5.30%
536157	LTC NF-VENT LEVEL OF CARE	4.50%	4.27%	4.70%
536158	HOSP OUTPT-GENERAL-XOVERS	10.00%	5.67%	6.00%
536159	LTC CAP-DISABLED	5.50%	3.07%	3.60%
536160	LTC CAP-MENTALLY RETARDED	15.48%	3.07%	3.60%
536161	LTC CAP-CHILDREN	5.50%	3.07%	3.60%
536162	CASE MANAGEMENT-FSO	3.50%	3.17%	3.50%
536163	LOCAL EDUCATION AGENCIES-FS	3.50%	3.17%	3.50%
536165	DURABLE MED EQUIPMENT	3.50%	3.67%	4.00%
536166	LTC NF-SNF SWING VENT CARE	4.50%	4.27%	4.70%
536167	HOSP INPT-VENT CARE	4.50%	4.77%	5.30%
536168	CLINICS-DHS IMMUNIZATIONS	15.57%	5.67%	6.00%
536169	PHYSICAL MED-NON PHYSICIAN	3.50%	3.17%	4.00%
536170	HMO PREMIUMS	6.00%	5.67%	6.00%
536171	HOME INFUSION THERAPY	3.50%	3.17%	3.60%
536172	HOSPICE	5.10%	4.77%	5.03%
536173	PART A MEDICARE SUB-TOTAL	12.38%	12.05%	12.38%
536174	PART B BUY-IN MQBQ	12.38%	12.05%	12.38%
536175	PART B BUY-IN DUAL Q	12.38%	12.05%	12.38%
53617A	PART B BUY-IN MQBB	12.38%	12.05%	12.38%
53617B	PART B BUY-IN DUAL B	12.38%	12.05%	12.38%
536177	CLINICS-FQHC, CORE & AMBULAT	6.00%	5.67%	6.00%
536178	FAMILY PLANNING-FQHC	6.00%	5.67%	6.00%
536179	HEALTH CHECK-FQHC	6.00%	5.67%	6.00%
53618A	LTC ACF - PCS BASIC	0.00%	3.17%	3.50%
53618D	LTC ACF - PCS BASIC/EATING AS	0.00%	3.17%	3.50%
53618E	LTC ACF - PCS BASIC/TOILET ASS	0.00%	3.17%	3.50%
53618F	LTC ACF - PCS BASIC/EATING/TOI	0.00%	3.17%	3.50%
53618G	CAP AIDS	0.00%	3.07%	3.60%
53618H	HIV CASE MANAGEMENT	0.00%	4.67%	5.02%
536180	HEAD START	0.00%	0.00%	0.00%
536181	HOSP INPT-INDIAN HEALTH	5.10%	4.77%	5.30%
536182	HOSP OUTPT-INDIAN HEALTH	2.63%	5.67%	6.00%
536183	NF-INDIAN HEALTH	4.50%	4.27%	4.70%
536186	HOME HEALTH-INDIAN HEALTH	6.00%	3.17%	3.60%
536187	AMBULATORY SURG CENTER	5.10%	4.77%	5.30%
536188	TRANSPORTATION-CNTY ADMIN	0.00%	3.17%	3.50%
536189	ACF-TRANSPORTATION	0.00%	3.17%	3.50%
536194	EDS-A/R INELIGIB CLAIMS	0.00%	0.00%	0.00%
536196	INDO-CHINESE MED ASS'T	0.00%	0.00%	0.00%

MEDICAL ASSISTANCE PAYMENTS

AVERAGE MONTHLY ELIGIBLES

Fiscal Year	Average Monthly Eligible
1990-91	468,260
1991-92	573,686
1992-93	658,129
1993-94	715,543
1994-95	780,459
1995-96	815,276
1996-97 est.	832,612
1997-98 est.	867,013
1998-99 est.	898,111
1999-00 est.	927,328

FEDERAL FINANCIAL PARTICIPATION RATE

IMPACT OF RATE DECREASES

- The Federal Financial Participation (FFP) Rate determines the federal share of the Medicaid program. The rate is based on the relationship between each state's per capita personal income and that of the nation as a whole. The 1998 federal share is calculated using per capita income data for 1993-95.

- Since N.C.'s per capita income has increased significantly in recent years, the state's FFP rate has declined. The rate has decreased from 68.01% for federal fiscal Year 1989 to 63.09% for federal fiscal year 1998 -- a 7.2% decrease in nine years.

- **The estimated FFP rate for state fiscal year 1997-98 decreased .85%. This decline resulted in an $19 million increase in state appropriations.**

MEDICAL ASSISTANCE PAYMENTS

GOVERNOR'S PROPOSALS

- CONTINUATION BUDGET REDUCTIONS
- MEDICAID TRUST FUND
- REDUCING MEDICAID GROWTH

MEDICAL ASSISTANCE PAYMENTS

PROPOSED CONTINUATION BUDGET REDUCTIONS

Description	GF 1997-98	GF 1998-99
Continuation Budget Reductions	($36,617,760)	($43,086,687)
Other Proposed Reductions	($14,451,134)	($12,376,177)
Total Reductions	**($51,068,894)**	**($55,462,864)**

MEDICAL ASSISTANCE PAYMENTS

SOURCES OF PROPOSED REDUCTIONS

Description	GF 1997-98	GF 1998-99
Improved Program Management	($13,521,925)	($17,360,093)
Revised Forecast	($37,546,969)	($38,102,771)
Total Reduction	**($51,968,894)**	**($55,462,864)**

MEDICAL ASSISTANCE PAYMENTS

IMPROVED PROGRAM MANAGEMENT REDUCTIONS

Description	GF 1997-98	GF 1998-99
Nursing Home Bed Adjustments	($1,058,611)	($3,726,846)
Drug Rebate Revision	($5,040,690)	($5,811,868)
DME Rent & Supply Rate Adjustment	($620,387)	($629,024)
Enhance TPL Cost Avoidance	($1,892,180)	($1,918,522)
Establish PCS Criteria	($1,364,851)	($1,383,852)
Limit Home Care to Medicare Standard	($651,406)	($660,475)
Adjust Inflation	($2,893,800)	($3,229,506)
Total	**($13,521,925)**	**($17,360,093)**

DISPROPORTIONATE SHARE HOSPITALS

BACKGROUND INFORMATION

- Disproportionate Share Hospital (DSH) payments are allowed by federal law to help cover the costs of hospitals which have a disproportionate share of patients with little or no insurance.

- Federal law limits DSH payments to 12% of the state's overall Medicaid expenditures.

- North Carolina earns DSH payments by making payments to the five state hospitals for uninsured care by using state appropriations in the Medicaid budget to provide the non-federal match.

- The federal share of the DSH payments are deposited as nontax revenue and are included in the revenue estimates for each fiscal year as nonrecurring revenues.

MEDICAL ASSISTANCE PAYMENTS

DSH PAYMENTS - STATE HOSPITALS

Fiscal Year	Payments
1992-93	$158,681,965
1993-94	$303,132,954
1994-95	$95,595,394
1995-96	$77,999,540
1996-97 est.	$83,637,173
1997-98 est.	$83,000,000
1998-99 est.	$83,000,000

NOTE: DSH stands for Disproportionate Share Hospitals

MEDICAID TRUST FUND

BACKGROUND INFORMATION

- G.S. 143-23(a) of the Executive Budget Act allows public and private hospitals to transfer a portion of federal revenues to the Department of Human Resources for the Medicaid program. The Medicaid Trust Fund has been established to receive these funds.

- The Medicaid Trust Fund can only be used to benefit the Medicaid program and cannot be used to reduce state general fund revenues.

- The Medicaid Trust Fund does not revert to the General Fund, but these funds can be allocated as provided in the current appropriations act.

MEDICAL ASSISTANCE PAYMENTS

DSH PAYMENTS - NON-STATE HOSPITALS

Fiscal Year	State Payments	Hospital Payments
1995-96	$50,000,000	$80,000,000
1996-97	$35,000,000	$175,000,000
Total	**$85,000,000**	**$255,000,000**

MEDICAID TRUST FUND

RECURRING OR NONRECURRING?

- The Division of Medical Assistance has been successful for the past two federal fiscal years in working with non-state public hospitals to draw down additional DSH payments.

- The federal law for DSH payments changes almost annually which can limit North Carolina's level of DSH payments.

- Since the U.S. Congress did not change the federal law for DSH payments for federal fiscal year 1997, the Division of Medical Assistance is currently negotiating with non-state public hospitals to continue these DSH payments this year.

- DSH payments beyond federal fiscal year 1997 are subject to action by the U.S. Congress and are uncertain.

MEDICAID TRUST FUND

OPTIONS FOR USING THE FUND

- The governor has proposed using the Medicaid Trust Fund, during the 1997-99 biennium, to support Medicaid program expenditures and reduce the need for state appropriations.

- Other options for using the Medicaid Trust Fund are as follows:

  - A Medicaid Rainy Day Fund which can be used when Medicaid expenditures grow unexpectedly due to a recession or other causes.

  - Provide cash flow for establishing capitated managed care programs.

  - Provide funding for nonrecurring Medicaid expenditures such as automation improvements.

  - Provide funding for other activities which benefit the Medicaid program.

REDUCING MEDICAID GROWTH

GOVERNOR'S PROPOSAL

- The Governor has proposed reducing the growth of Medicaid spending to 8% by the year 2001.

- To move toward this goal, the governor has proposed that the Division of Medical Assistance make further adjustments to program costs and reduce the rate of growth in Medicaid for fiscal year 1998-99 from 10.5% to 9%.

- The 1.5% reduction in the rate of growth of the Medicaid program for fiscal year 1998-99 would result in a General Fund reduction of ($19,110,288).

- Additional reductions will be proposed for fiscal year 1999-00 and 2000-01 to reduce the rate of growth by an additional .5% each year.

REDUCING MEDICAID GROWTH

SOURCE OF REDUCTIONS

- The source of these reductions have not yet been identified, but it appears that there is no intent to eliminate categories of eligibles or services.

- Potential sources for these additional reductions are as follows:

  - Reviewing the rate of growth for provider rates

  - Reviewing the basis for provider rates

  - Identifying areas where more appropriate service criteria and utilization would be cost effective

  - Expanding the use of managed care

REDUCING MEDICAID GROWTH

CAN IT BE DONE?

- Factors favoring the reduction of Medicaid growth in North Carolina:
  - The Medicaid program is entering a period of stability
    - No new categories of eligibles have been added since January 1995
    - No new categories of services have been added since August 1995
  - Health care cost increases appear to be lower than in recent years
    - The growth in the average monthly cost per eligible is slowing and may be decreasing slightly
    - Major categories of expenditures are showing no growth in the first seven months of 1996-97 (Inpatient Hospital)

REDUCING MEDICAID GROWTH

CAN IT BE DONE?

- Factors which may hinder the reduction of Medicaid growth in North Carolina:
  - A recession which would increase the number of people eligible for Medicaid and increase expenditures
  - Continued decline in the Federal Financial Participation Rate which would increase the state's share of Medicaid even if growth in the program is contained
  - Continued federal revenue maximization efforts which would use the Medicaid program to reduce the state expenditures in other state programs (Thomas S and Adult Care Home Personal Care Services)
  - Changes in federal law which may increase state expenditures

REDUCING MEDICAID GROWTH

OPTIONS FOR THE GENERAL ASSEMBLY

- If the General Assembly accepts the Governor's proposal to reduce the growth of the Medicaid Program to 8% by the year 2001, the following options should be considered:

  - Establish by special provision that it is the intent of the General Assembly to reduce Medicaid growth to 8% by the year 2001

  - Establish by special provision that it is the intent of the General Assembly that no categories of eligibles or services shall be eliminated to reduce Medicaid growth unless the General Assembly identifies specific categories of eligibles or services that it wants eliminated

  - Direct the Division of Medical Assistance to report on its actions to reduce Medicaid growth to 8% by 2001, including specific reductions for 1998-99, and submit this report to the General Assembly by April 1, 1998

MEDICAID PROGRAM

OTHER ISSUES

- Medicaid Special Provision
- Governor's Proposal -- Salary Reductions/Span of Control Study

Managed Care Rates

Eligibility Group	Mecklenburg County
AFDC-CN	
Newborns	$ 311.72
Age 1-5	$ 45.74
Age 6-13	$ 25.00
Age 14-20 F	$ 126.08
Age 14-20 M	$ 28.53
Age 21+	$ 117.86
AFDC-MN	
Newborns	$ 255.40
Age 1-5	$ 95.00
Age 6-13	$ 62.27
Age 14-20 F	$ 130.59
Age 14-20 M	$ 103.74
Age 21+	$ 189.32
MIC	
Newborns	$ 297.59
Age 1-5 F	$ 70.38
Age 1-5 M	$ 88.20
Age 6-13 F	$ 40.07
Age 6-13 M	$ 52.20
Age 14-20 F	$ 116.13
Age 14-20 M	$ 66.58
MPW	$ 405.64

VISITOR REGISTRATION SHEET

Committee: JOINT HUMAN RESOURCES Date: FEB 18, 1997

VISITORS: Please sign below and return to Committee Clerk.

NAME	FIRM OR STATE AGENCY AND ADDRESS
Allen L Dunhill	OHR - DMA
P. Perrun	DHR - DMA
Doris Wicks	Speaker Sr Tar Heel Legislature
Lynne Renn	DHR
DAVE BEARDON	DHR
Jean Edgerton	DHR
[illegible]	Fiscal Research GA
Marina Pulley	NASW-NC 412 Morson St.
Nels ROSELAND	STATE BUDGET
Wayne Williams	OSBM
[illegible]	OSPL
Adam Searing	NC Health Access Coal.
Megan Carney	BSW Student - Meredith College
Byron K. Haris	OSBM
Dave Richard	DHR/DMA
[illegible]	[illegible]
Becky Street	PPAB
C L Cochran	UCPNC - Coalition
Bobbi Williams	SEANC
Lesley Brown	myself
[illegible]	DMHDDSAS
Bobby Woodard	OSBM
Barbara Matula	OHR
Daphne Lyon	DHR - DMA
[illegible]	Carolina Health Care System
Helen Lipscomb	Meck DSS

VISITOR REGISTRATION SHEET

Committee: Joint Human Resources Date: Feb 19, 1997

VISITORS: Please sign below and return to Committee Clerk.

NAME	FIRM OR STATE AGENCY AND ADDRESS
Lee Kellogg	DHR
Angie McMillan	DHR
[illegible]	OSBM

JOINT APPROPRIATIONS SUBCOMMITTEE ON HUMAN RESOURCES
MINUTES
FEBRUARY 27, 1997
A.M.

The Joint Appropriations Subcommittee on Human Resources met on Thursday, February 27, 1997 at 8:30 a.m. in Room 424. Co-Chair Representative Charlotte Gardner presided. She introduced Elizabeth Cook and Patrice Busman of Wake County as the House Pages and Tracy Bleau as the Senate Page. Six Senators were present. The following House members attended:

Representative Charlotte Gardner, Co-Chair
Representative Lanier Cansler, Co-Chair
Representative Martha Alexander
Representative Alma Adams
Representative Edd Nye
Representative Cindy Watson
Representative Henry Aldridge

Karen Hammonds-Blanks of Fiscal Staff presented the 1997-99 Budget and Program Overview of the Division of Mental Health, Developmental Disabilities and Substance Abuse Services. (See Attachment #2)

Senator Phillips asked what the actual yearly amount of money reimbursed from patients, parents, etc. is other than Medicaid. Phillip Hoffman will get that information.

Senator Dannelly wanted to know the comparative size of the Whitaker School and the Wright School. Ms. Hammonds-Blanks will get that information.

Senator Phillips asked about whether the training schools were more than holding areas for children and was told that Gwen Chumm would address issue that when the Division of Youth Services made its presentation.

Senator Forrester asked what deficiencies there are in patient to staff ratios and whether North Carolina is meeting any standards. He would like to see the accreditation report on the institutions, and Mr. Baggett will get that report for him.

Representative Cansler noted the difference in the cost of care between Broughton and Cherry and requested an analysis of the difference in the cost per bed which he said amounts to about $11 million a year.

Senator Dannelly wants to see a breakdown of services per day compared with cost and Phillip Hoffman will do the analysis.

Senator Miller requested a comprehensive Department report on the difference in service at Broughton and Dix.

Senator Martin would like to get a chart of each category in institutions over a 10 year time period to show the census, cost (adjusted for inflation) and the increase in community based care.

The meeting will reconvene in the afternoon after the House adjourns.

Respectfully submitted,

Barbara R. Hocutt
Clerk

APPROVED: Charlotte Gardner
REPRESENTATIVE CHARLOTTE A. GARDNER, CO-CHAIR

CAG:brh

2/27/97

Division of MH/DD/SAS

Mental Health Services Sections

1997-99 Budget & Program Overview

Fiscal Research Division February 1997

DIVISION OF MENTAL HEALTH/DEVELOPMENTAL DISABILITIES/SUBSTANCE ABUSE SERVICES

MENTAL HEALTH SECTION

Mission: *to promote the development of services for adults with severe and persistent mental illness and seriously emotionally disturbed minors through supervision of state mental health institutions, policy guidance, special grant initiatives and advocacy within the Division, the Department of Human Resources and other departments and offices of state government.*

What Is Mental Illness and Who Is Disabled?

* In adults, the most disabling forms of Mental Illness are *Schizophrenia* and *Clinical Depression/Manic-Depressive Disease*

* *Subpopulations Exist With Special and Different Needs* - ***Homeless, Dually Diagnosed, Children, Young Adults and Elderly***

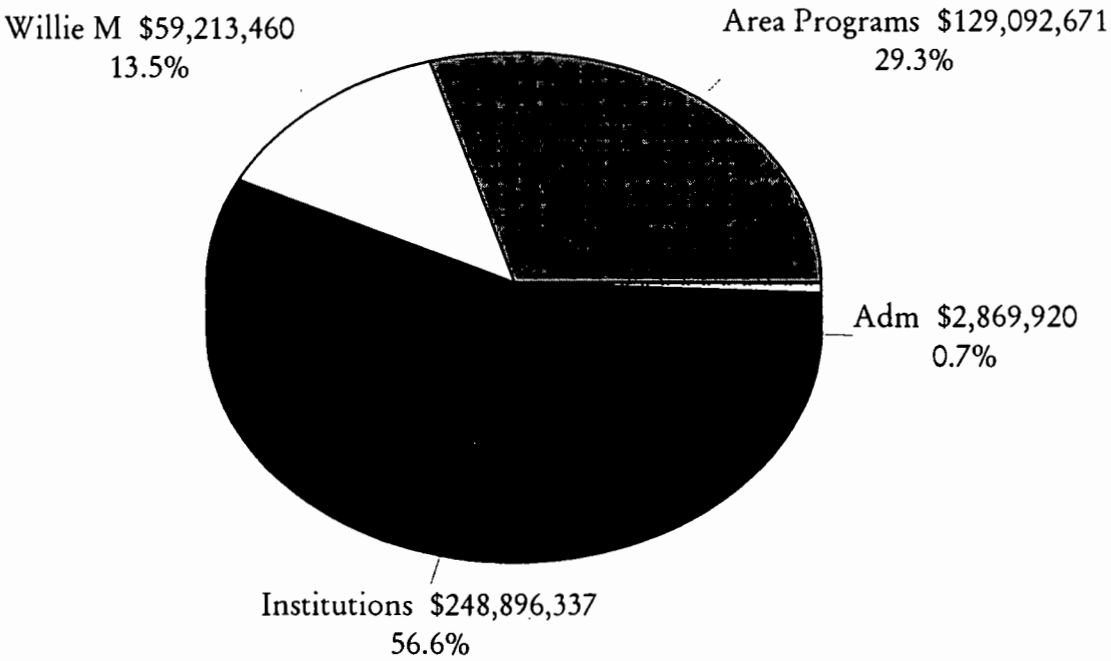
* Characteristics of Serious & Chronic Mental Illness:

  - *difficulty with tasks of daily living;*
  - *recurrent problems in meeting basic survival needs;*
  - *extreme vulnerability to stress;*
  - *tendency toward episodes of "acting out";*
  - *lack of ability to develop personal social networks; and*
  - *lack of ability to seek help from others.*

MENTAL HEALTH SECTION

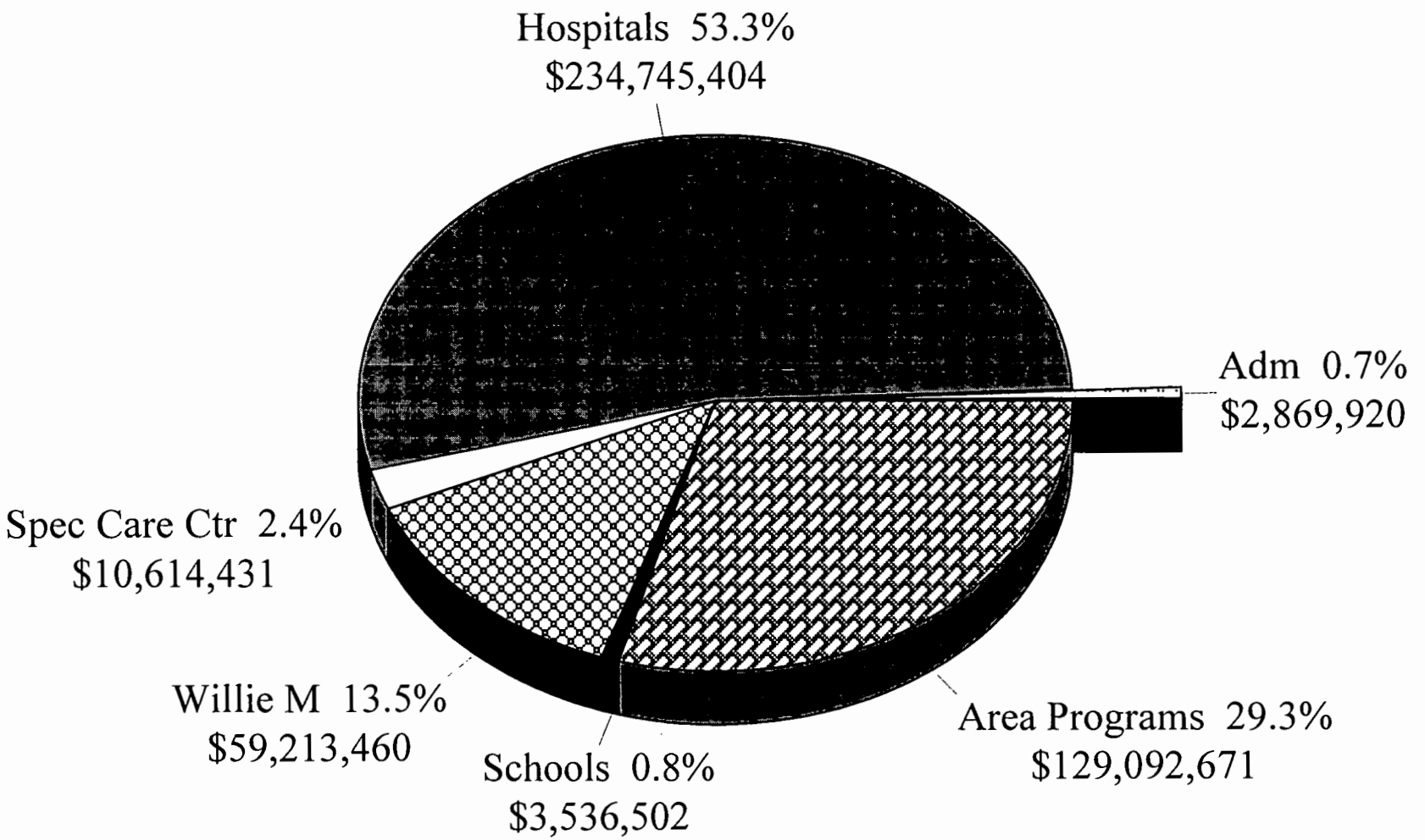
Budget Summary:	FY95/96 Actuals	FY96/97 Authorized	FY97/98 Recommended	FY98/99 Recommended
Total Requirements	611,106,596	440,072,388	440,975,218	443,103,904
Total Revenues	323,906,859	159,259,621	147,650,747	148,996,187
Net Appropriations	287,199,737	280,812,767	293,324,471	294,314,717
Total Positions:	5,806.06	5,701.57	5,677.57	5,677.57

Mental Health Expenditures by Purpose
FY1996/97



MENTAL HEALTH SERVICES SECTION

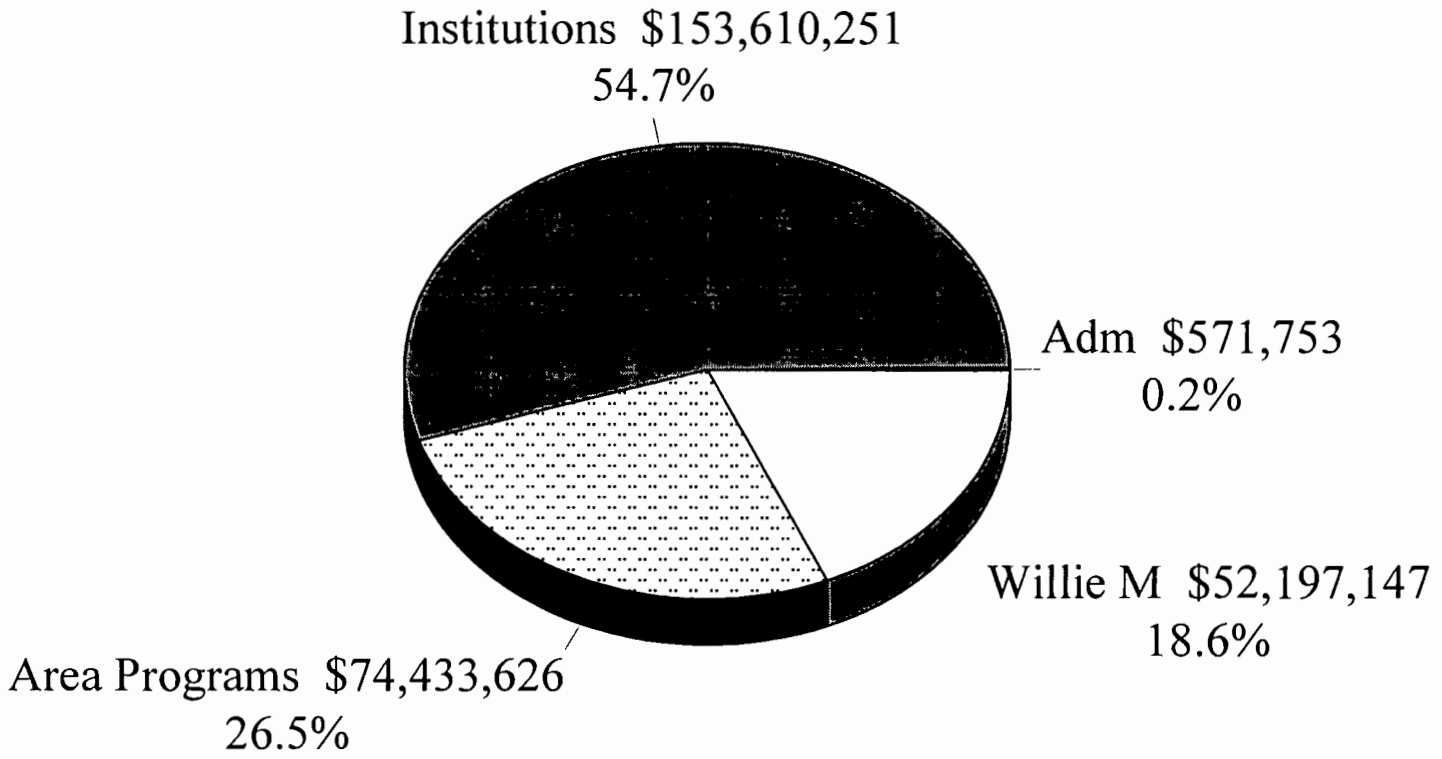
Requirements by Category/Service (FY96/97)



Total: $440,072,388

Mental Health Services Section

FY96/97 State Funds

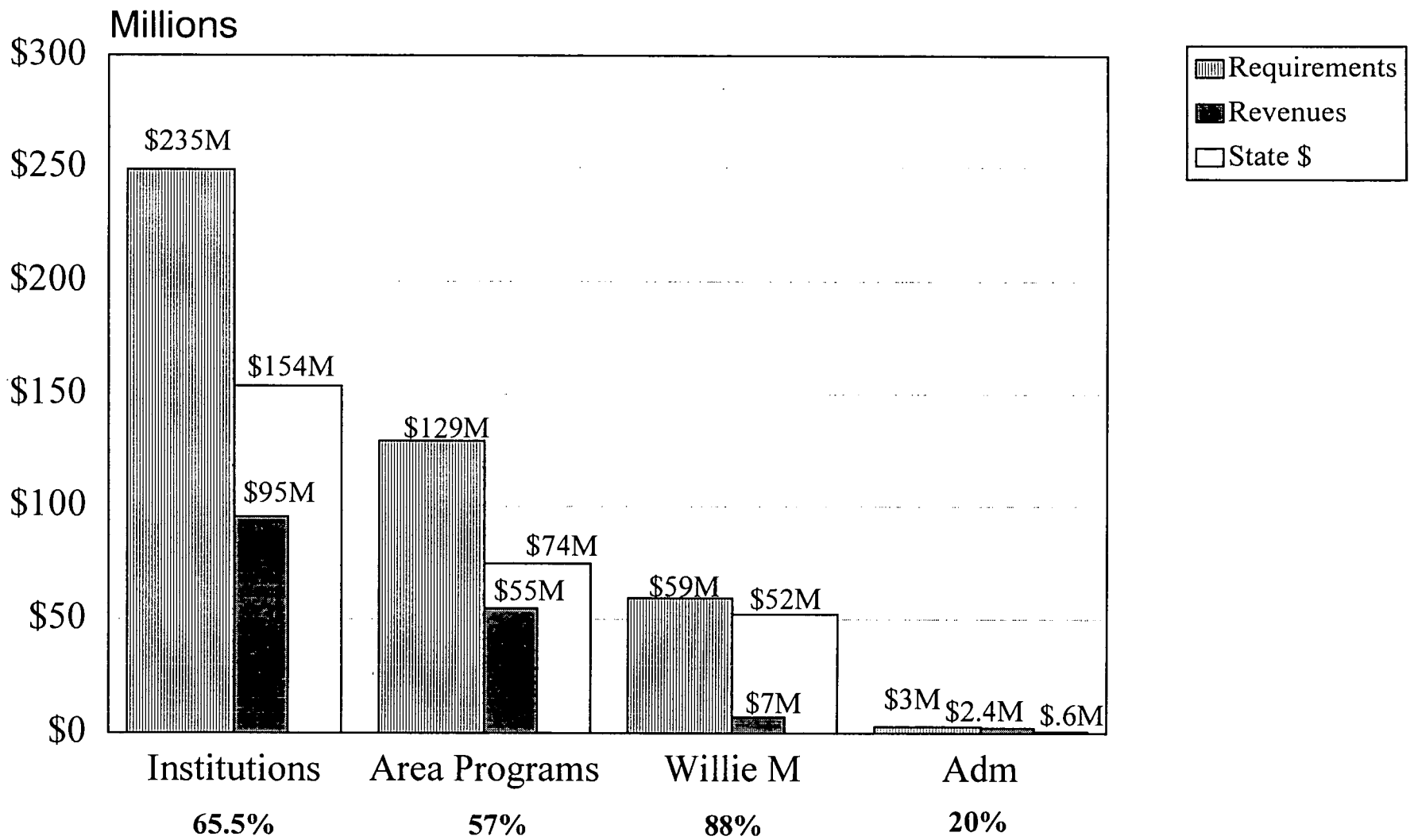


Total: $280,812,767

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Mental Health Services Section

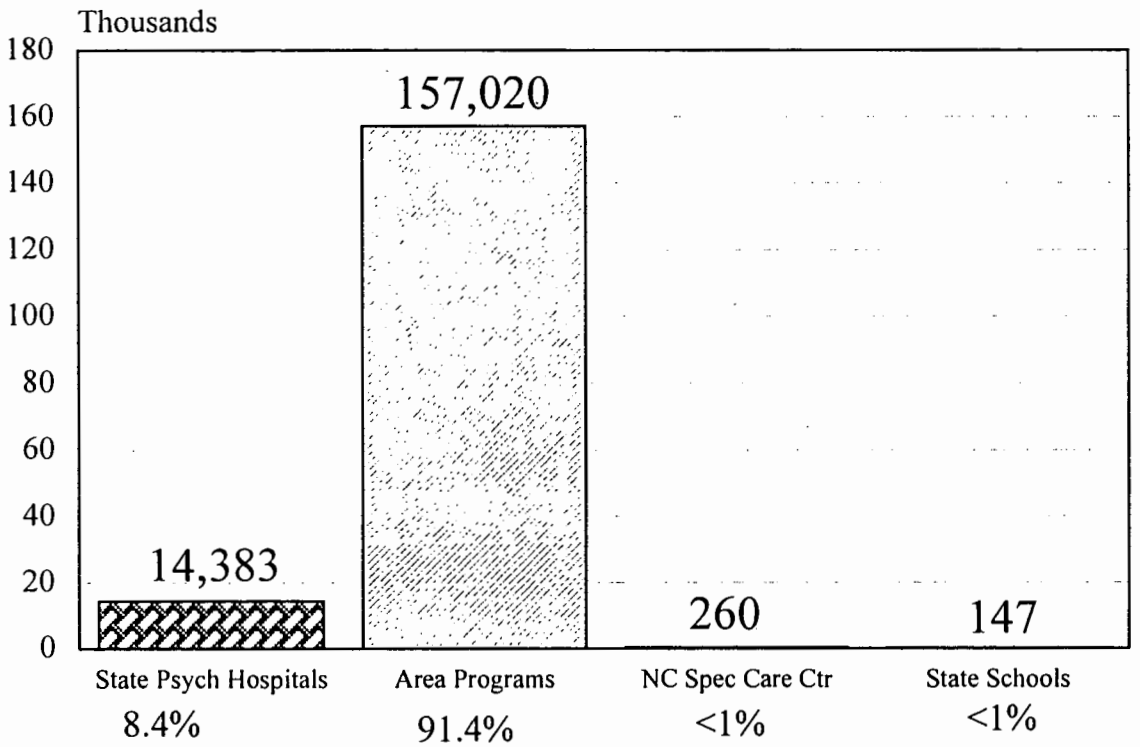
FY96/97 Requirements Versus Funding by Source



State Percentage of Total Requirements

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Where Are the Mentally Ill?
What Services Do They Receive?
FY1995/96



Percentage of Total Clients Served

SERVICES:

- Assessment
- Treatment
- Case Management
- Supervised Independent Living
- Family Living
- Group Living
- Residential Treatment
- Inpatient Services
- Day Treatment
- Specialized Care for Deaf/Mentally Ill

Total Clients Served: 171,810

State Mental Facilities for the Mentally Ill

State Psychiatric Hospitals:

1. Cherry Hospital
2. Dorothea Dix Hospital
3. John Umstead Hospital
4. Broughton Hospital

Other State Facilities for the Mentally Ill:

1. Special Care Center (Wilson)
2. Whitaker School
3. Wright School

ADMISSION POLICY:

-encourages voluntary admission to facilities
-no one committed unless the individual is mentally ill or a substance abuser and dangerous to himself or (unless mentally retarded and due to an accompanying behavior disorder) is dangerous to others

TREATMENT:

-age appropriate treatment
-individual treatment plan required within 30 days of admission
-individual rights regarding unnecessary medications and treatment

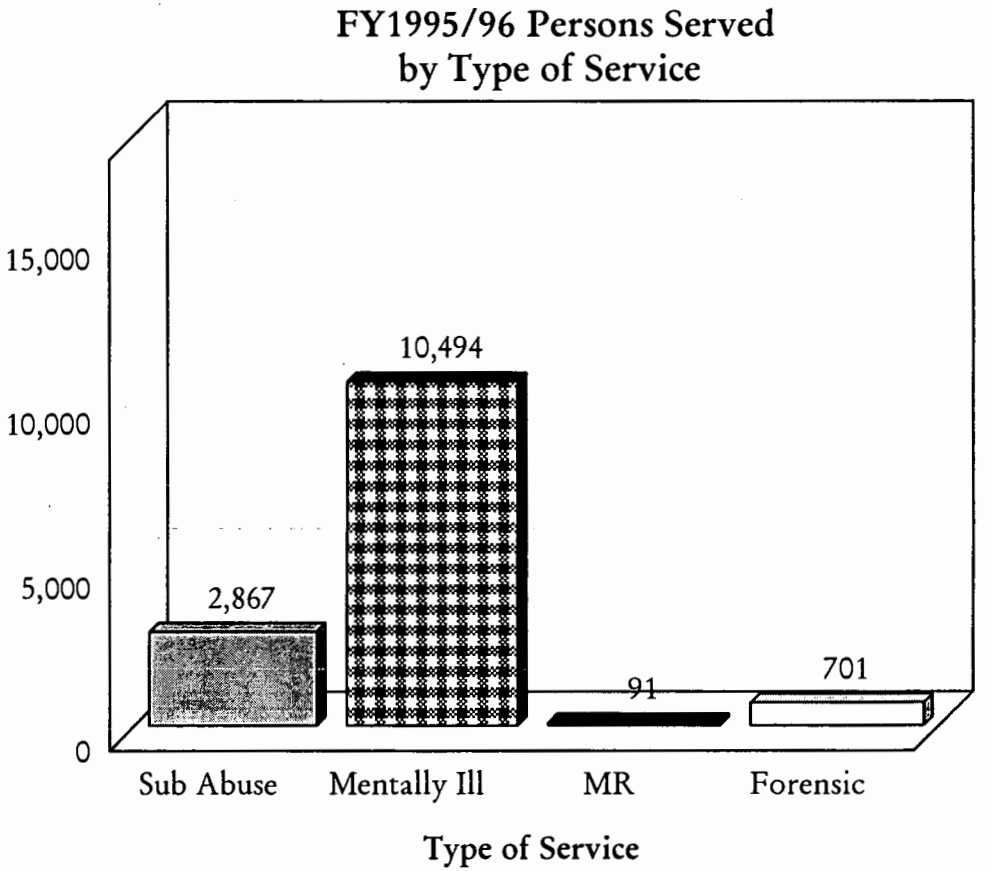
MENTAL HEALTH SECTION

STATE PSYCHIATRIC HOSPITALS

State Hospitals Provide an Array of Services - medical, psychiatric nursing and rehabilitative services to adults, children and geriatric individuals.

Patient Characteristics:

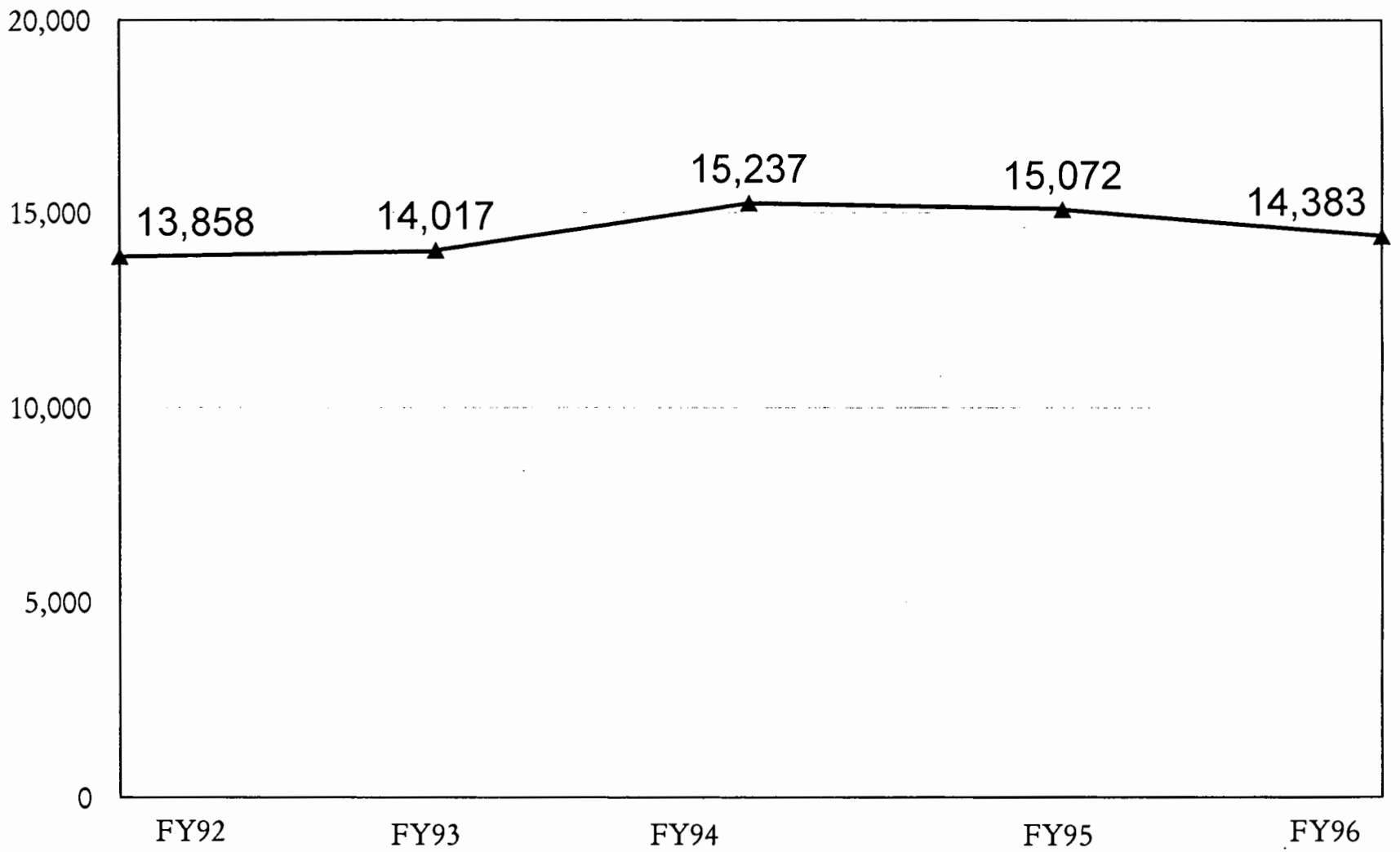
- Primary Diagnosis Schizophrenia - 20%
- Alcohol & Drug Diagnoses - 20%
- 51.2% or 7,367 Persons Ages 25 - 44 yrs
- 63% Male
- 8,632 or 60% White
- 5,422 or 38.% African American
- 73.1% or 10,519 Involuntary Admissions



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State Regional Psychiatric Hospitals

Number of Persons Served



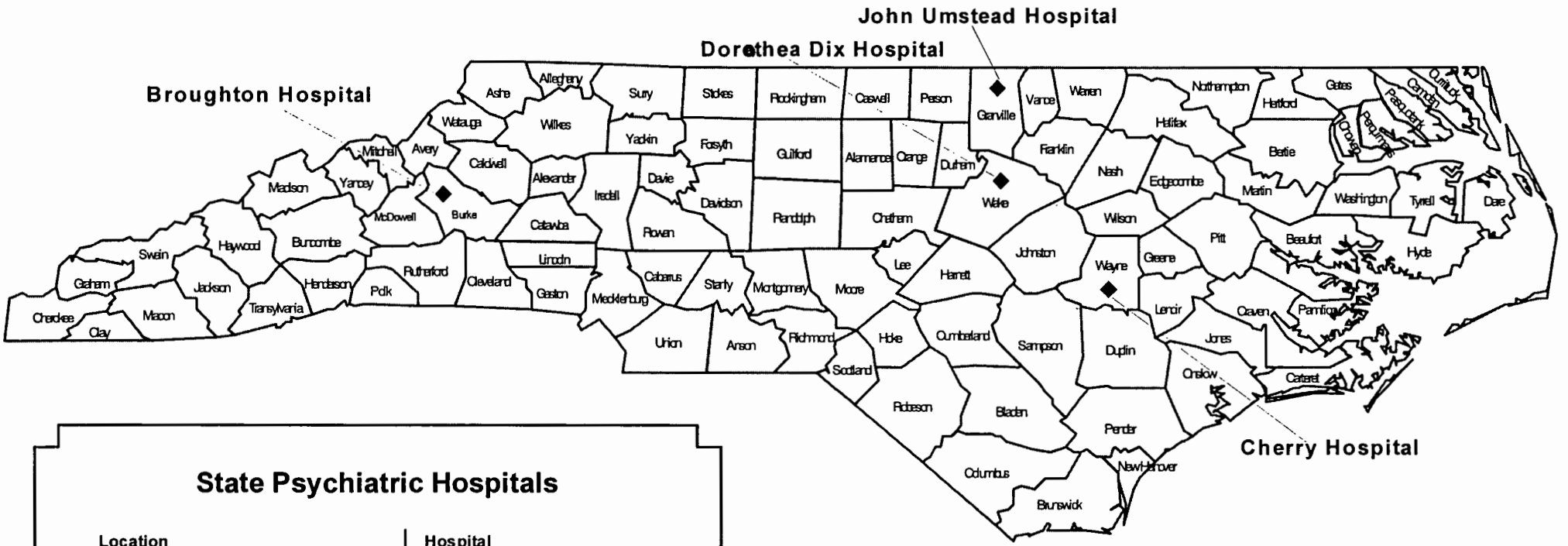
FY91/92 - FY95/96

State Psychiatric Hospitals

Fact Sheet (6/30/96)

Facility & Budget	Positions	Capacity/Beds		Daily Cost/Bed
Broughton Hospital $57,640,624	1,321.8	Psych	554	$281
		ICF	44	$197
		Med/Surg	22	$935
Cherry Hospital $57,042,974	1,271.08	Psych	483	$343
		ICF	125	$181
		SNF	48	$307
		TB	5	$302
Dix Hospital $60,722,974	1,296.65	Psych	381	$330
		Med-Surg	31	$799
		Pre-trial	30	$312
John Umstead Hospital $59,338,938	1,205.68	Psych	530	$319
		ICF	30	$224
Total	5,095.21	2,283		

STATE PSYCHIATRIC HOSPITALS



State Psychiatric Hospitals

Location	Hospital
Wayne	Cherry Hospital Eastern Region - 33 Counties
Wake	Dorethea Dix Hospital South Central Region - 16 Counties
Burke	Broughton Hospital Western Region - 35 Counties
Granville	John Umstead Hospital North Central Region - 16 Counties

Mental Health Services Section Schools

Wright & Whitaker Schools:

Wright School - located in Durham, the School provides educational and treatment services to children with emotional, behavioral, and learning problems.

Whitaker School - located in Butner on the campus of John Umstead Hospital, the School provides intensive evaluation and treatment to children and adolescents with serious emotional disturbance who have not responded to community based services.

Student Profile as of 6/30/96

Facility	Total Beds	# Served	Age	Sex	Race: NW/ W	Ave Lgth Stay	
Wright School	24	100	6-12 years	88% Male	44% NW 56% W	4 months	$175/day
Whitaker School	24	47	13-17 years	67% Male	38% NW 62% W	8 months	$228/day

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N.C. SPECIAL CARE CENTER

Purpose: provides intermediate or skilled nursing care to patients (from the four (4) state psychiatric hospitals) who no longer require acute psychiatric care and whose physical diagnosis is now primary.

Budget Summary:

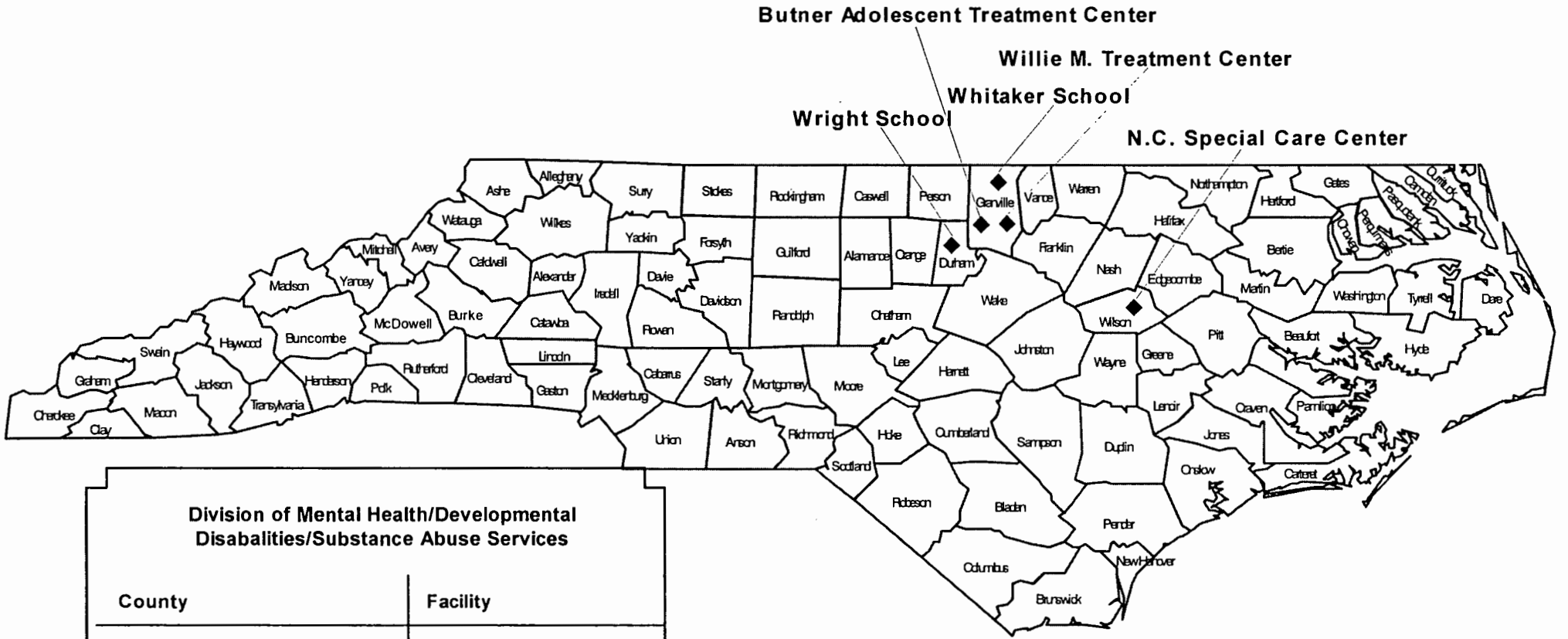
Requirements	$10,614,431	$179/Day - SNF Bed
Revenues	10,073,989	$104/Day - ICF Bed
Net Approp.	540,442	
Positions	261	

Client Profile:

- 260 person served (FY95/96) 198 Patients (as of 6/30/96)
- 103 ICF Beds & 105 SNF Beds
- 22% Range: 19-59 years old 63% 65+ years
- 57% Female & 43% Male
- 67% White
- Average Length of Stay = 6 years
- Degree of Impairment Moderate/Profound

DIVISION OF MENTAL HEALTH/DEVELOPMENTAL DISABALITIES/SUBSTANCE ABUSE SERVICES

Other Institutions/Facilities

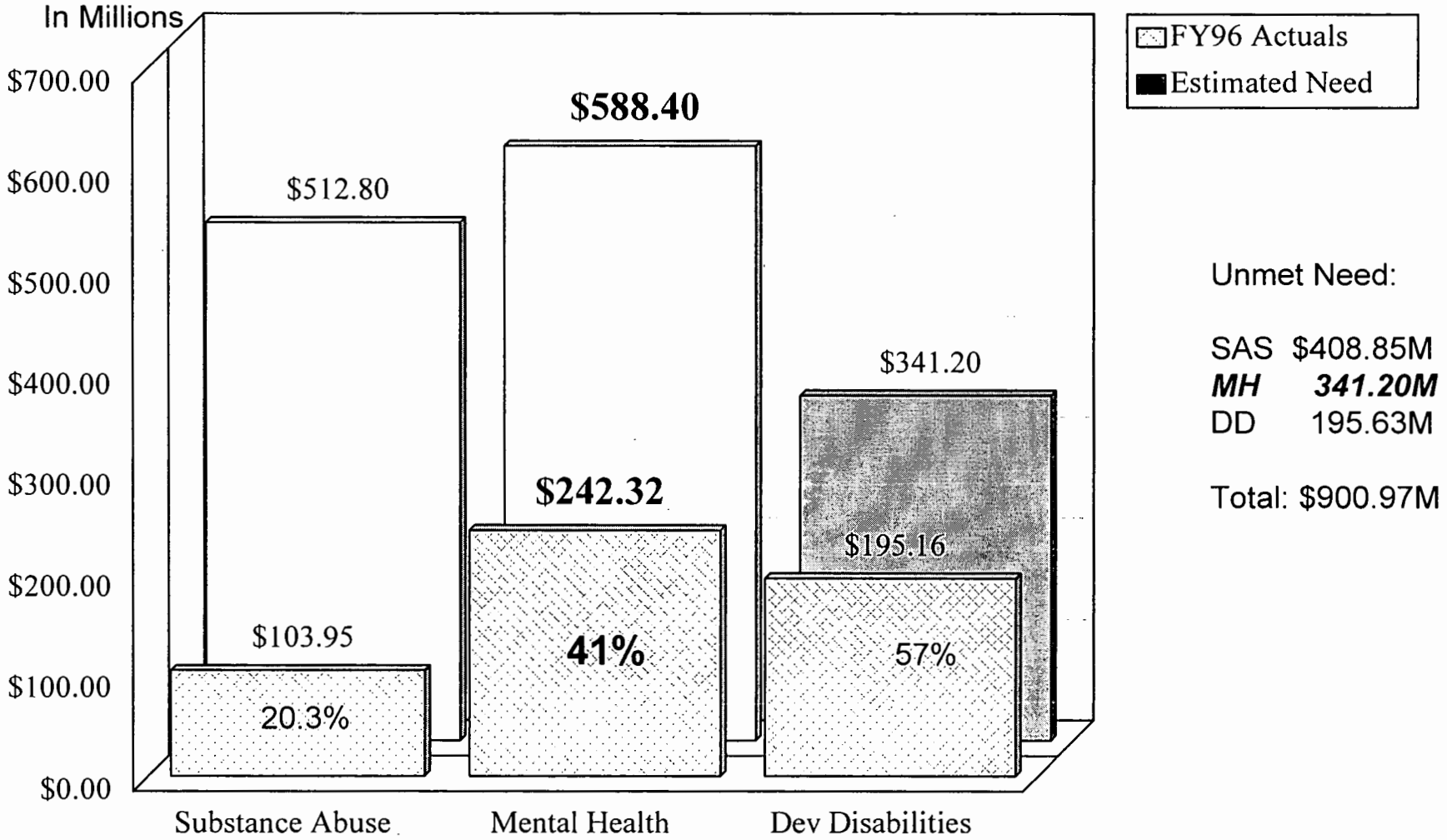


Division of Mental Health/Developmental Disabalities/Substance Abuse Services

County	Facility
Wilson County	N.C. Special Care Center
Granville County	Whitaker School
Durham County	Wright School
Granville County	Butner Adolescent Treatment Center
Granville County	Willie M. Treatment Center

Estimated Community Based MH/DD/SAS
Unmet Need by Disability

Versus FY95/96 Funds



Unmet Need:

SAS $408.85M
MH 341.20M
DD 195.63M

Total: $900.97M

Total Estimated Need: $1,442.4M

Mental Health Services Section

Policy/Issues

- Trend Toward Client-Centered, Community-Based Care

- Limited Resources
  -cost of institutional care continues to grow
  -demand for MH services continues to grow
  -federal, state and local funds have not kept pace with demand

  D. Pac rec. closing

- Natural tension between institutional care funding & community-based care
  -Area Programs served a total of 246,039; 157,020 were MH clients
  -Area Programs spent $242M on MH clients (FY95/96)
  -State psychiatric hospitals served 14,383 MH clients (FY95/96)
  -FY95/96 expenditures (state funds only) for state psychiatric hospitals was $160M
  - State FY96/97 budget includes $235M for state psychiatric hospitals;

  total

Division of Mental Health, Developmental Disabilities and Substance Abuse Services

Program Area:	Health
P/PB Goal # II:	Maintain and improve health care access and treatment
Program:	Maintain and improve health treatment services
Subprogram:	Provide mental health services - institutional and community-based
Element:	**Emotional disturbances/mental illness**

Expected Outcome:
Mental Health services will be delivered in a manner that is effective, accessible, and responsive to the needs of clients of area mental health, developmental disabilities, and substance abuse programs in local communities and state psychiatric hospitals.

P/PB Objective # 2 (1421.01):
At least 80% of mental health clients and their families will be satisfied with the mental health services received.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Client/Family Satisfaction Rate-Child client with SED.	**N/A**	**N/A**	**86.9%**	**80.0%**	**80.0%**	**80.0%**
Client/Family Satisfaction Rate-Adult client with SPMI.	**N/A**	**N/A**	**88.0%**	**80.0%**	**80.0%**	**80.0%**

Description of strategies or activities directed toward this objective:

- Provide training to staff of local mental health centers on various aspects of service provision (DMHDDSAS funds 1290, 1291, 1513, 1532, 1840 and 1850)
- Analyze client and family satisfaction data (DMHDDSAS funds 1290, 1291, 1513, 1532, 1840 and 1850)
- Target programs that score below 80% satisfaction for additional training and technical assistance (DMHDDSAS funds 1290, 1291, 1513, 1532, 1840 and 1850)
- Develop the base line needed to establish quantitative targets for providing services to children with Serious Emotional Disturbance in the following areas: (a) types of services provided; (b) volume of services provided; (c) number of clients served; and (d) functional impairment of clients served. (DMHDDSAS funds 1290, 1291, 1513, 1532, 1840 and 1850)

Division of Mental Health, Developmental Disabilities and Substance Abuse Services

Expected Outcome:
State operated psychiatric hospitals will provide effective treatment.

P/PB Objective # 3 (1421.02):
Ninety percent (90%) of adults with severe and persistent mental illness who are involuntarily admitted to State hospitals and children with serious emotional disturbance who are treated in State Hospitals will show an increase in the level of functioning at discharge.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Percent of patients showing an increase in the level of functioning at discharge.	**N**	**N**	**97%**	**90%**	**90%**	**90%**

Description of strategies or activities directed toward this objective:
- Accurately assess each adult and child admission for level of functioning (DMHDDSAS funds 1220, 1230, 1240, and 1260,)
- Identify appropriate interventions, medications and course of treatment to increase level of functioning (DMHDDSAS funds 1220, 1230, 1240, and 1260)
- Carry out appropriate interventions (DMHDDSAS funds 1220, 1230, 1240, and 1260)
- Accurately assess each discharge for level of functioning (DMHDDSAS funds 1220, 1230, 1240, and 1260)

Division of Mental Health, Developmental Disabilities and Substance Abuse Services

Expected Outcome:
Community based mental health treatment and services will enable adults with severe mental illness, and children with SED, to improve or maintain their ability to function in the community without being a danger to self or others.

P/PB Objective # 4 (1421.03):
Eighty percent (80%) of adults with severe and persistent mental illness and children with serious emotional disturbance, who receive mental health treatment and services from area MHDDSA programs, will either show improvement or maintain level of functioning, as evidenced by not requiring involuntary admission (adults)/admission (children) to a State psychiatric hospital within a 12 month period.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Percent of adults with SPMI not requiring involuntary admission to a State psychiatric hospital within a 12 month period.	**90.2 %**	**91.5%**	**91.8%**	**80%**	**80%**	**80%**
Percent of children with SED not requiring admission to a State psychiatric hospital within a 12 month period.	**98.2%**	**98.45**	**98.6%**	**80%**	**80%**	**80%**

Description of strategies or activities directed toward this objective:
- Increase and improve quality of community based services. (DMHDDSAS funds 1290, 1291, 1513, 1532, 1840, 1850)
- Analyze hospital admission data to assess readmission rates. (DMHDDSAS funds 1290 1291, 1513, 1532, 1840, 1850)
- Increase the number of persons with mental illness receiving community based care. (DMHDDSAS funds 1290 1291, 1513, 1532, 1840, 1850)

VISITOR REGISTRATION SHEET

JOINT APPROPRIATIONS SUBCOMMITTEE ON HUMAN RESOURCES — 2/27/97
Name of Committee — Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK.

NAME	FIRM OR AGENCY AND ADDRESS
Myrna Miller	NASW-NC C2001
John Tote	MHA/NC "
Byron K. Harris	OSBM
Steve Johnson	DMHDDSAS
Charles Davis	DMHDDSAS
Lynn Steele	DMHDDSAS
Bill Lindsay	DHR / Budget & Analysis
Mary Eldridge	DMH DD SAS
Don Wilds	" " "
Helen Lyon	Meck. Co.
Ann Schwindaman	NC Council of Community Programs
Becky Strut	PPAT
[illegible]	OSBM
[illegible]	DHR
[illegible]	DMHDDSAS

VISITOR REGISTRATION SHEET

Committee: Human Resources (Joint) Approp Date: Feb 23, 1995

VISITORS: Please sign below and return to Committee Clerk.

NAME	FIRM OR STATE AGENCY AND ADDRESS
John Barnett	MH/DD/SAS
Lynne Perrin	DHR
Tommy Work	Carolina HealthCare System
Spencer Lyerly MD	Crisis Services Division MH
Jan Simmons	NCARP
Ellen Russell	The Arc of NC
Spence Clark	DMH/DD/SAS
Lauren Bolton	DMH/DD/SAS
Peer Jenkins	NC HCFA
Megan Carney	BSW Student Meredith College
Bernstein	DHR
Deanne Nicholas	Exec Assoc.
Dale Stein	MH/DD/SAS
Patrice Roesler	DEAFC
Sharon Morgan	DSPL
[illegible]	NCSDS
[illegible]	DHR
Robert [illegible]	Doctor of the Day
[illegible]	Magellan
John Boerstler	Zeb Alley PH
Jon Bryant	N.C. ALTCF
[illegible]	NCAHC
[illegible]	NCHHA
[illegible]	[illegible]
[illegible]	NCDHA
Charles Gibson	Columbia

JOINT APPROPRIATIONS SUBCOMMITTEE ON HUMAN RESOURCES
February 26, 1997
Minutes

Representative Charlotte Gardner, Co-Chair of the House Appropriations Subcommittee on Human Resources, convened the Joint Appropriations Subcommittee on Human Resources at 8:30 a.m. on Wednesday, February 26, 1997. The six Senators who are members of the committee attended. The following Representatives were present:

Representative Charlotte Gardner, Co-Chair	Representative Lanier Cansler, Co-Chair
Representative Debbie Clary, Co-Chair	Representative Edd Nye
Representative Alma Adams	Representative J.W. Hurley
Representative Cindy Watson	Representative Martha Alexander
Representative M. W. Aldridge	Representative Theresa Esposito

Representative Gardner introduced the Senate Page, Kasey Baker of New Bern and the House Pages, Melissa Carrick and Angela Williamson, both of Moore County.

Karen Hammonds-Blanks, Fiscal Analysts, continued with her presentation of the Budget and Program Overview of the Division of Mental Health, Developmental Disabilities and Substance Abuse Services. (See Attachment #1)

Senator Clark presented figures concerning the staff to client ratios at the state's mental health centers as well as the cost per resident of care in the centers which refute the public's perception of downsizing at the centers. (See Attachment #2) There has not been a decrease in the client to staff rations in the past 15 years according to Senator Clark's figures. John Baggett, Director of the Division, agreed as did Secretary Bruton and Senator Martin.

Senator Clark asked for the status of the Willie M. and Thomas S. programs since that information is not included in this report. Representative Gardner asked him to hold the question for Ms. Hammonds-Blanks because she will present that information at another time.

Senator Forrester cited a Massachusetts case in which they experienced a $25 million windfall because of their managed care program which the courts found rationed services, and he expressed the hope that this would not happen in North Carolina. Representative Gardner said that Managed Care would be addressed later.

Representative Gardner expressed dissatisfaction with money being distributed on an equal basis between the 3 service areas when there are so many unmet needs and they are not equally distributed. Senator Martin agreed and Senator Forrester said that Representatives Gardner's opinion should be reflected in the minutes.

Senator Martin wants to know the types of unmet needs and what the priority needs are. Ms. Hammonds-Blanks said that information about methodology used, category of needs and recommendations would be provided in a presentation later on.

Representative Edd Nye was assured that the Fiscal staff would address the question of the difference in the management of Area Authorities and the advantages to counties in assuming the responsibility for delivery of services normally provided by Area Authorities. Ms. Hammonds-Blanks that there would be an overview of current initiatives and a special provision regarding Carolina Alternatives.

Representative Gardner said that it had been brought to her attention that there was a division task force study and recommendations about the cachment area issue. Mr. Baggett said the Division would share the recommendations with the committee.

Respectfully submitted,

Barbara R. Hocutt

Barbara R. Hocutt
Clerk

Approved: Charlotte Gardner

Representative Charlotte Gardner, Co-Chairman

2/25/97 (P.M.)

DIVISION OF MENTAL HEALTH/DEVELOPMENTAL DISABILITIES/SUBSTANCE ABUSE SERVICES

BUDGET/PROGRAM OVERVIEW

Fiscal Research Division

February 25, 1997

Division of Mental Health/Developmental Disabilities/Substance Abuse Services

Mission

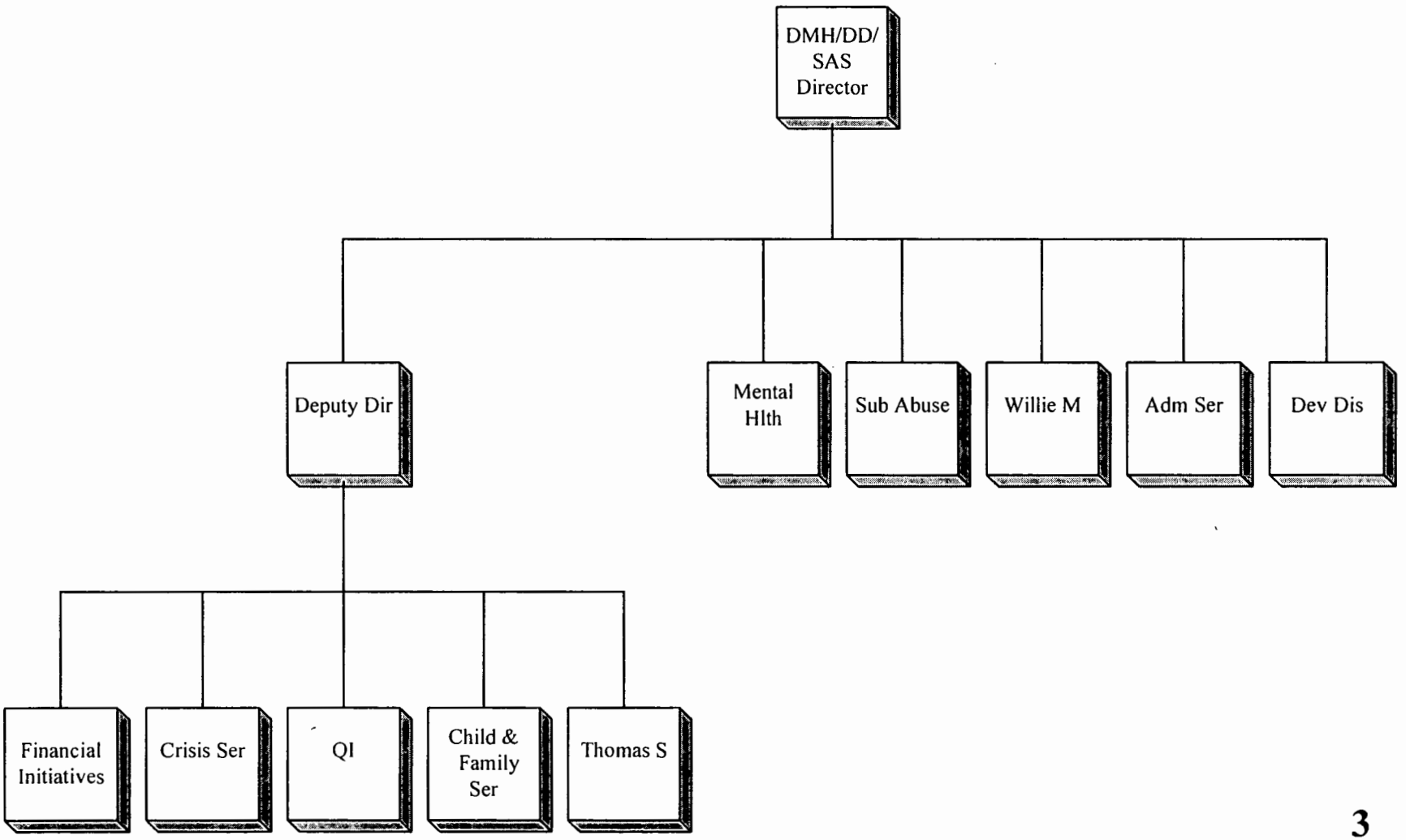
- To respond to the mental health, developmental disabilities and substance abuse needs of the people of North Carolina with the most appropriate and efficient programs and services. To assure the provision of quality clinical services institutions and area programs.

Policy (G.S. Section 122C-2)

- The policy of the State is to assist individuals with mental illness, developmental disabilities, and substance abuse problems in ways consistent with the dignity, rights, and responsibilities of all North Carolina citizens. Within available resources, it is the obligation of the State and local government to provide services to eliminate, reduce, or prevent the disabling effects of mental illness, developmental disabilities, and substance abuse through a service delivery system designed to meet the needs of clients in the least restrictive available setting, if the least restrictive setting is therapeutically most appropriate, and to maximize their quality of life.

DEPARTMENT OF HUMAN RESOURCES

Division of Mental Health/Developmental Disabilities/Substance Abuse Services



July 1996

Division of MH/DD/SAS

Sections within DMH/DD/SAS

Programs

- Mental Health
- Child & Family Services
- Willie M Services
- Developmental Disabilities
- Thomas S Services
- Substance Abuse Services

Support

- Quality Improvements
- Financial Initiatives
- Administrative Services

DMH/DD/SAS

Oversight & Regulatory Commissions

Commission for MH/DD/SAS

-G.S. 143B-147 through 143B-150
-26-member regulatory body
-adopt/amend/repeal rules for state & local mh/dd/sas

Legislative Study Commission on MH/DD/SAS

-G.S. 120-204 through 120-207
-21 members
-review systemwide issues affecting mh/dd/sas

Division of Mental Health/Developmental Disabilities/Substance Abuse Services

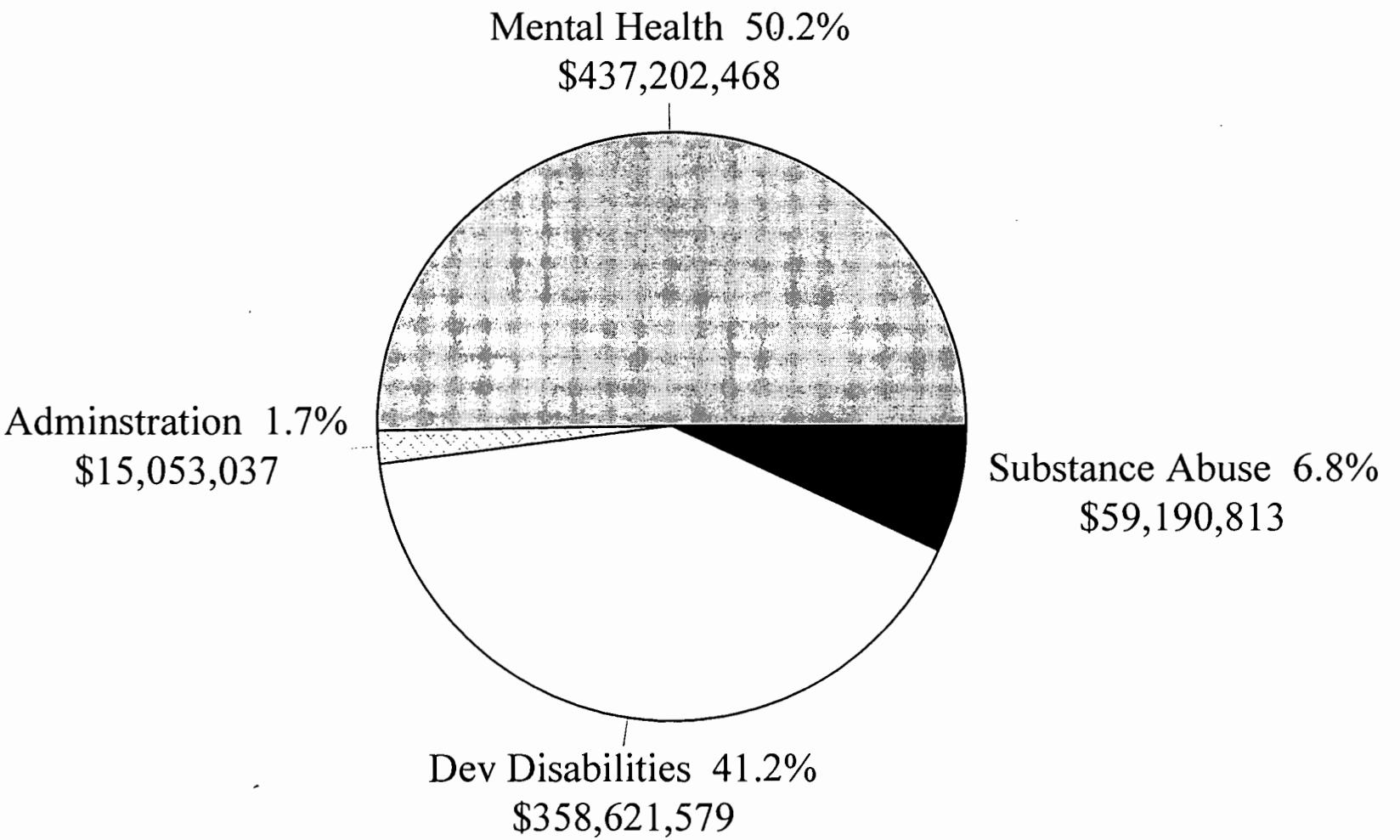
BUDGET SUMMARY:	**FY95/96 Actual**	**FY96/97 Certified**	**FY96/97 Authorized**	**FY97/98 Rec'd.**	**FY97/98 Rec'd.**
Requirements	$1,071,812,443	$877,882,263	$881,609,686	$912,368,012	$927,283,316
Revenues	598,677,150	399,316,865	403,395,706	392,017,922	393,281,767
Appropriations	473,135,293	478,565,398	478,213,980	520,350,090	534,001,549
				9%	3%
TOTAL POSITIONS	12,129.86	11,867.5	11,920.89	11,984.39	11,894.39

SELECTED LEGISLATIVE BUDGET HIGHLIGHTS

Reductions:	FY 93/95 Biennium	FY 95/97 Biennium
1. Area Programs	($3,181,230)	($17,791,644)
2. Position Eliminations	(59.52)	(181.0)
Expansion:		
1. Willie M Services	$ 9,900,000	$ 4,000,000
2. Thomas S Services	$24,548,842	$19,200,000
3. Community Based Ser	$17,178,675	$ 14,000,000

DMH/DD/SAS

Total Expenditures by Disability

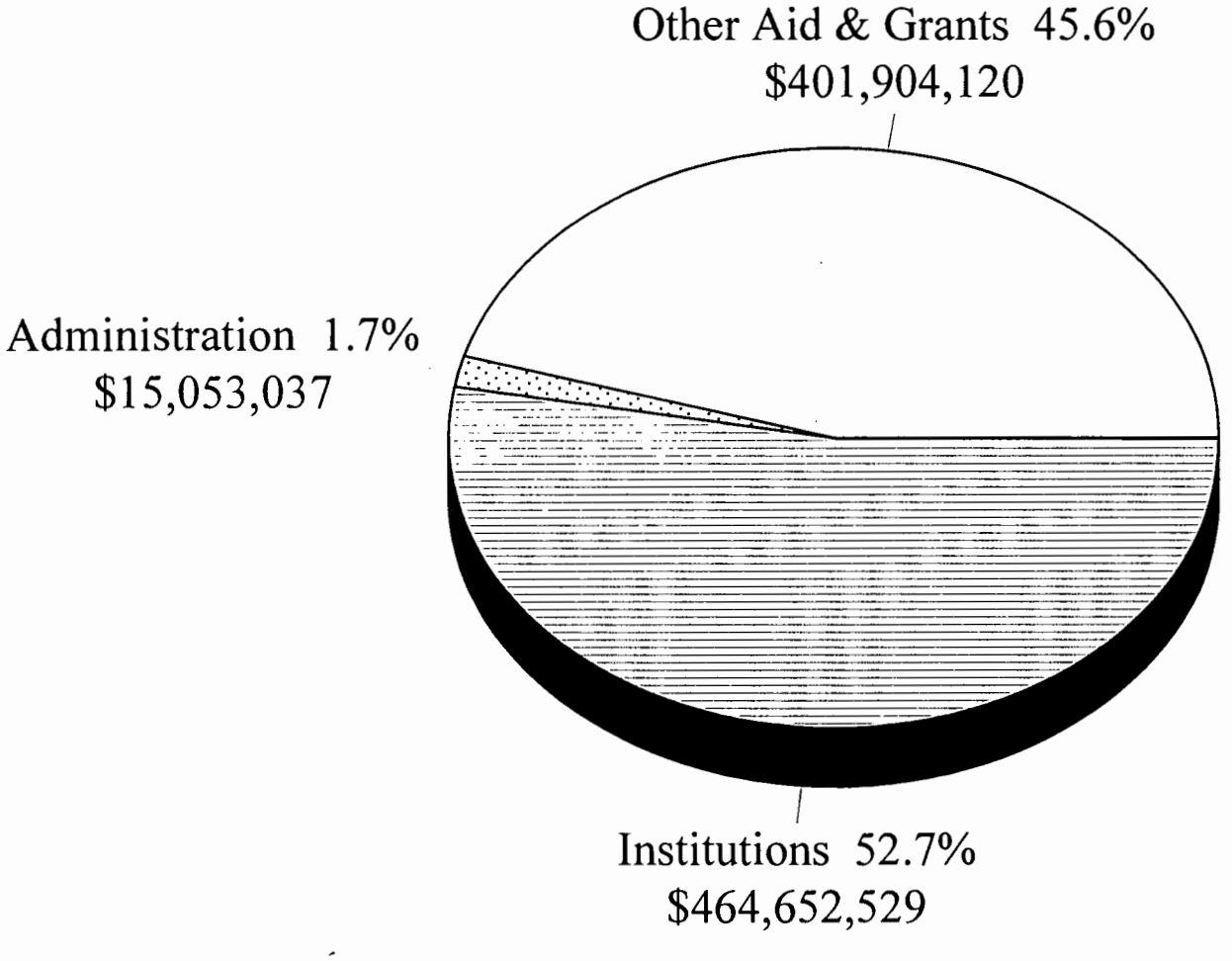


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2/97

FY96/97 Authorized Budget: $881,609,686

DMH/DD/SAS

How Are Funds Spent?

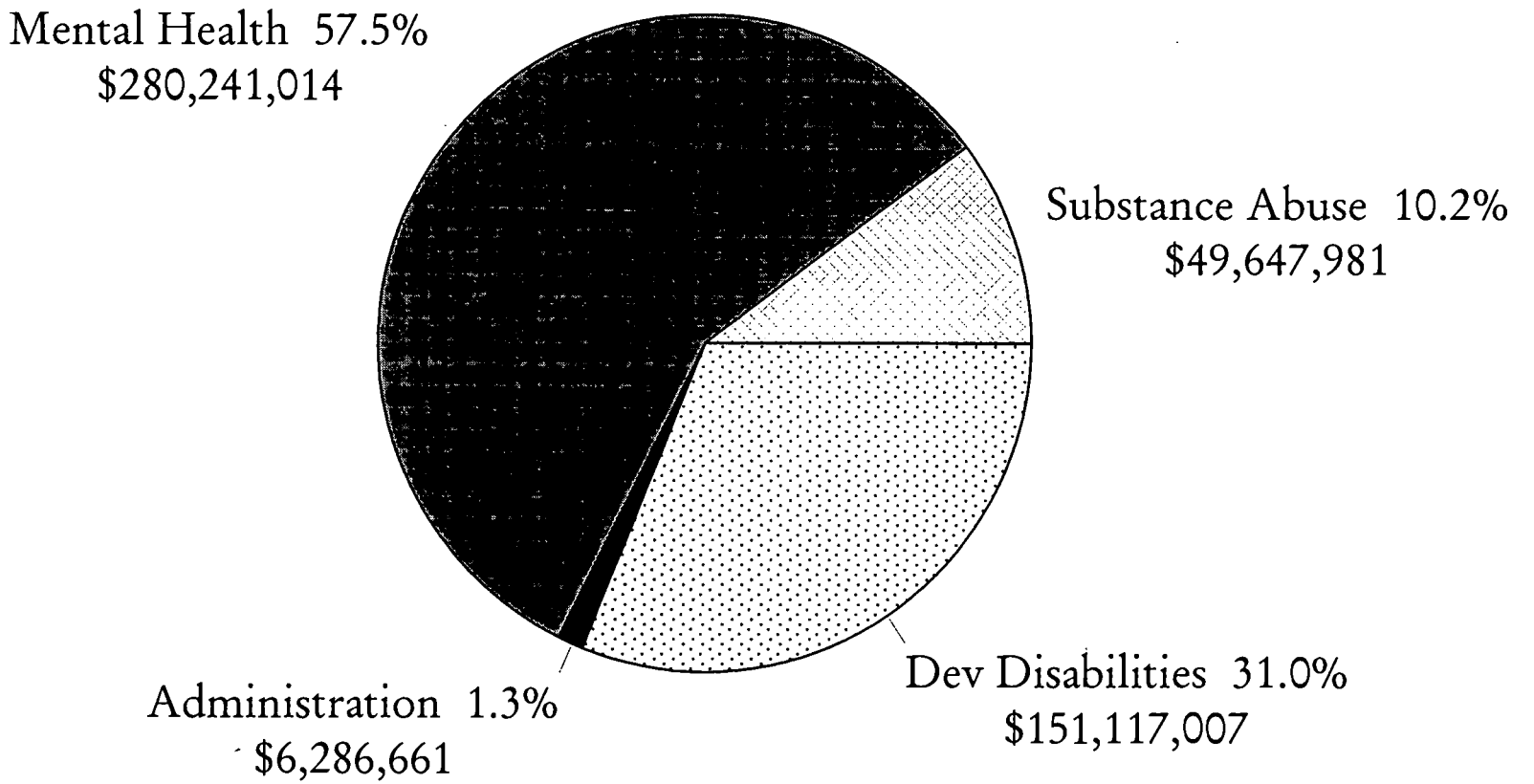


FY96/97 Total Requirements: $881,609,686

FRD
2/97

DMH/DD/SAS

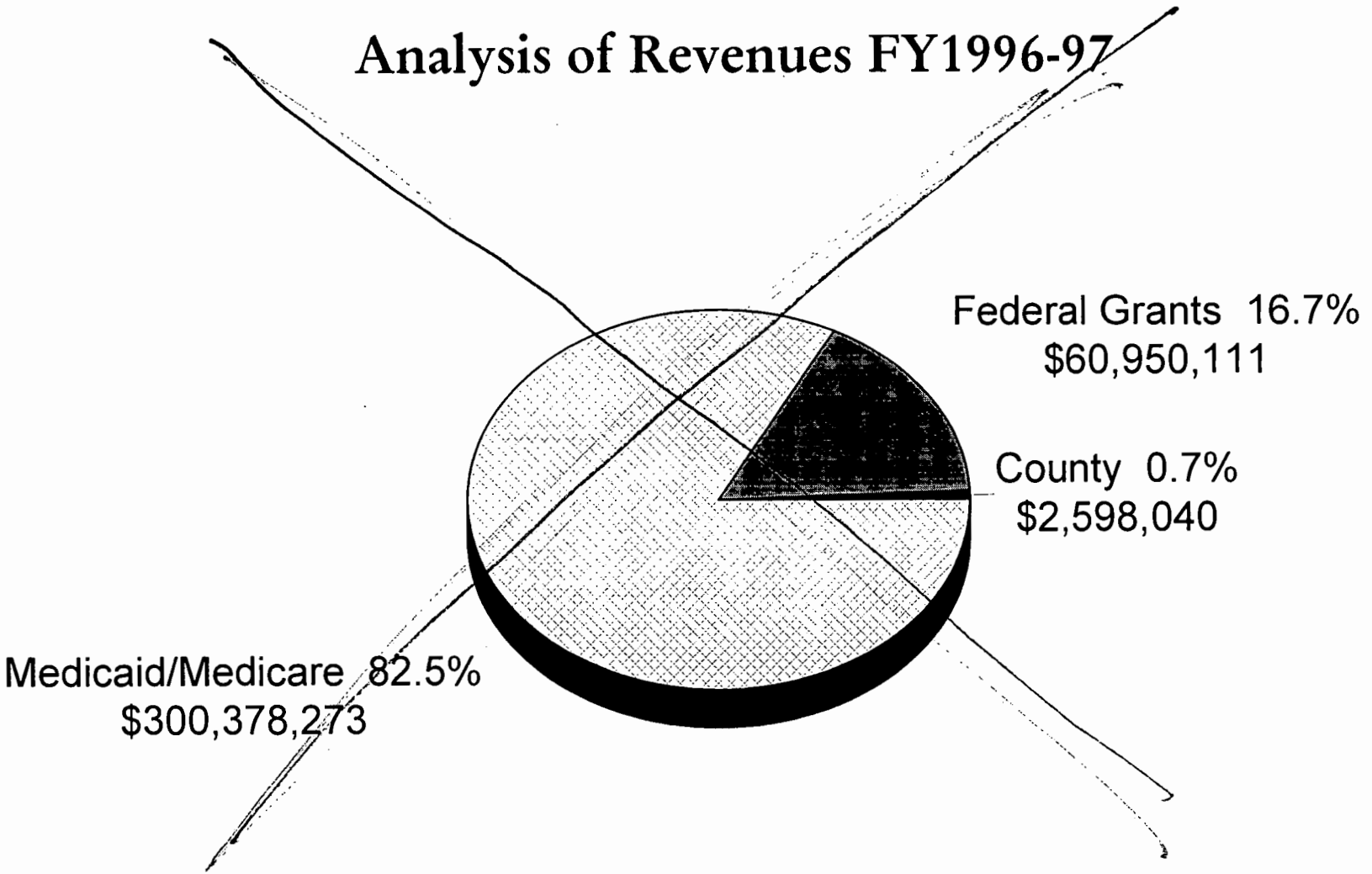
State Appropriations by Disability Area



FY96/97 Appropriations: $478,213,980

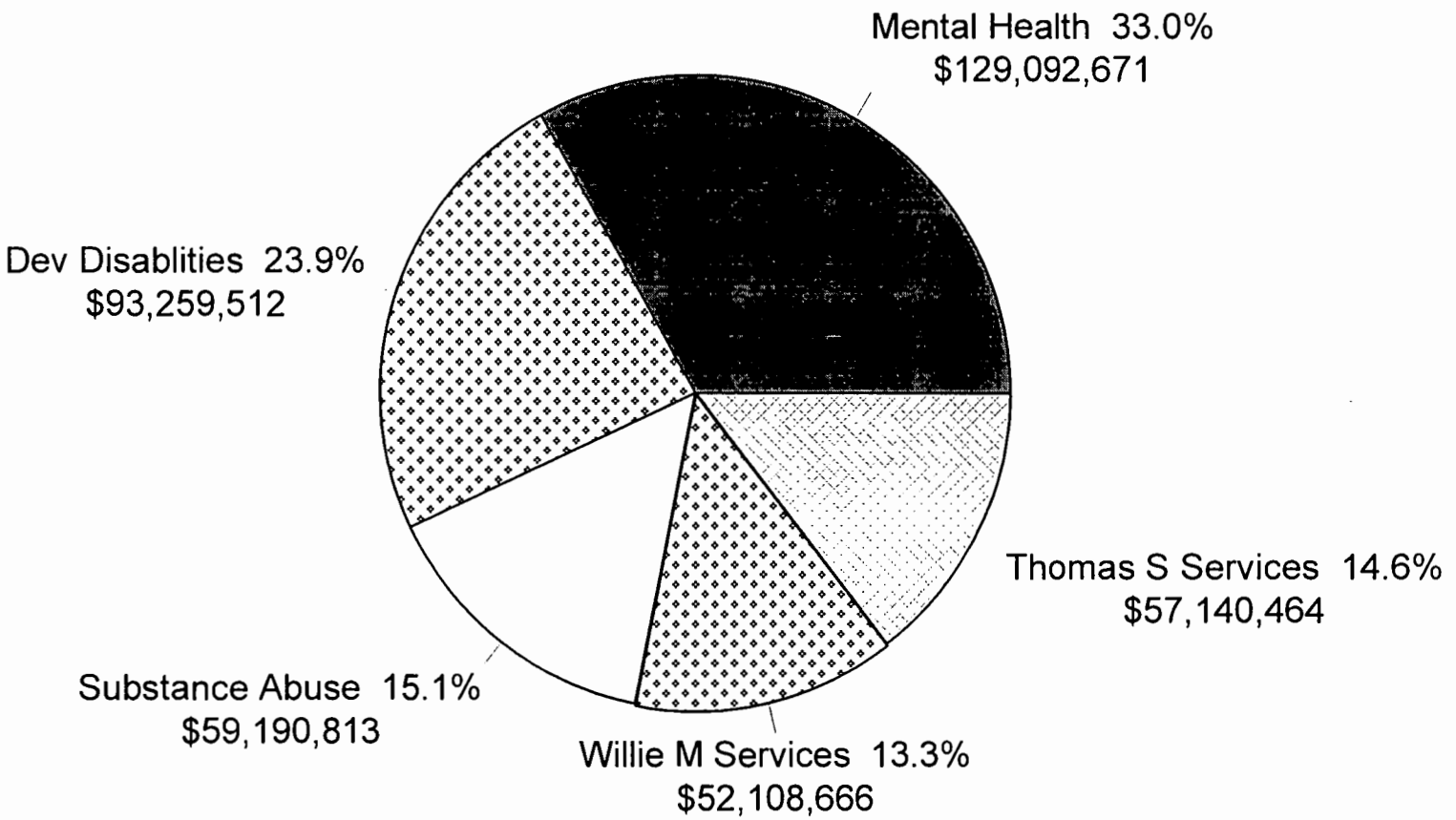
DMH/DD/SAS

Analysis of Revenues FY1996-97



Total Revenues: $403,395,706

Community Programs Funding by Disability Area

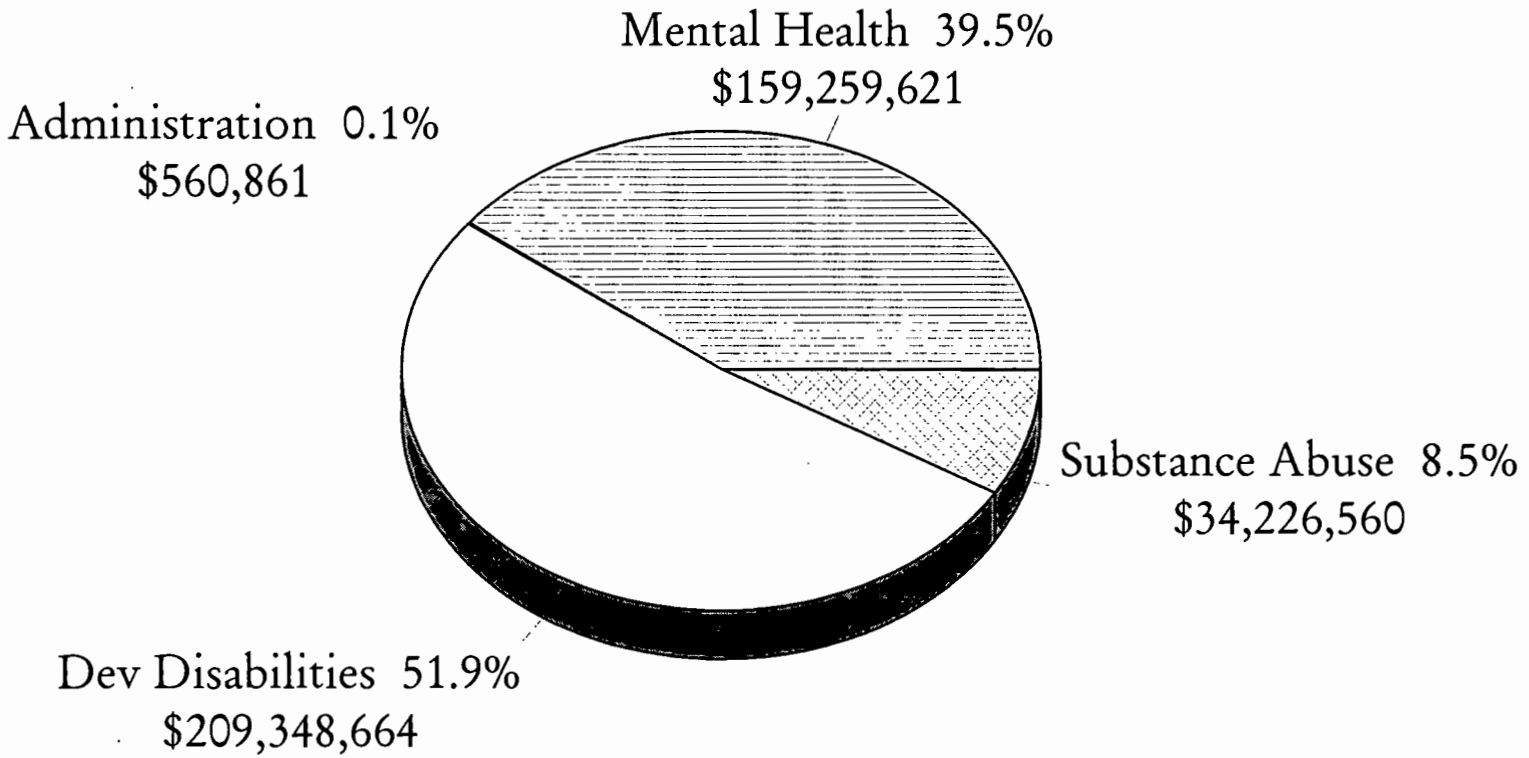


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Total FY96/97 Expenditures: $390,792,126

DMH/DD/SAS

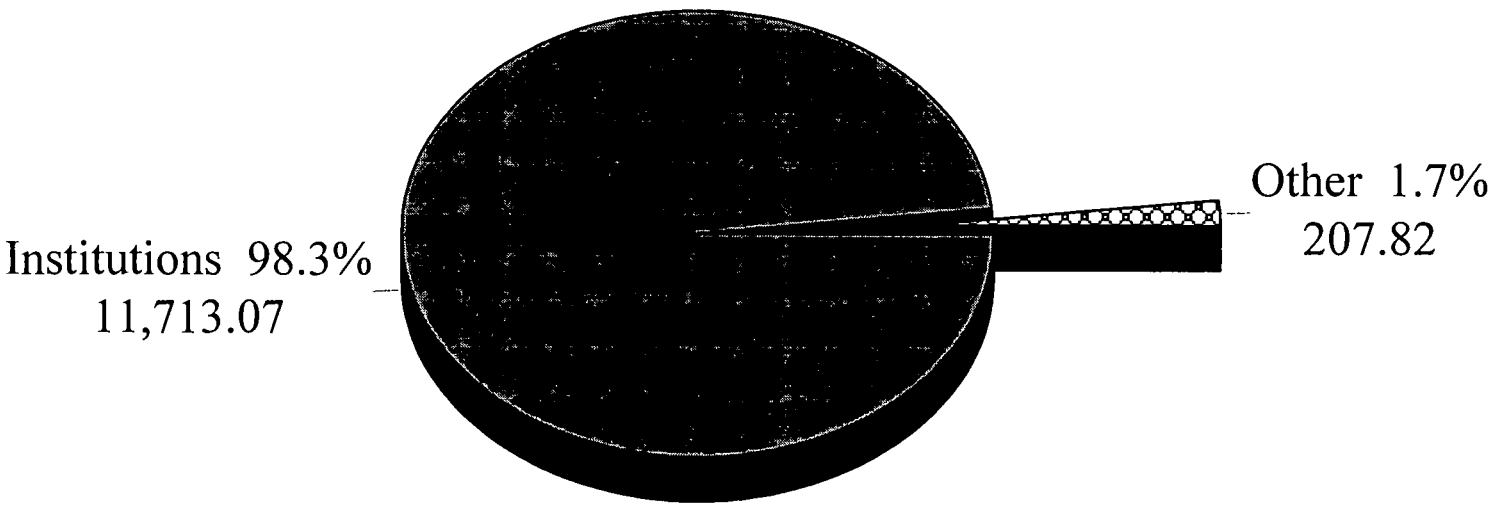
Total Revenues by Disability



FY96/97 Total Revenues: $403,395,706

DMH/DD/SAS

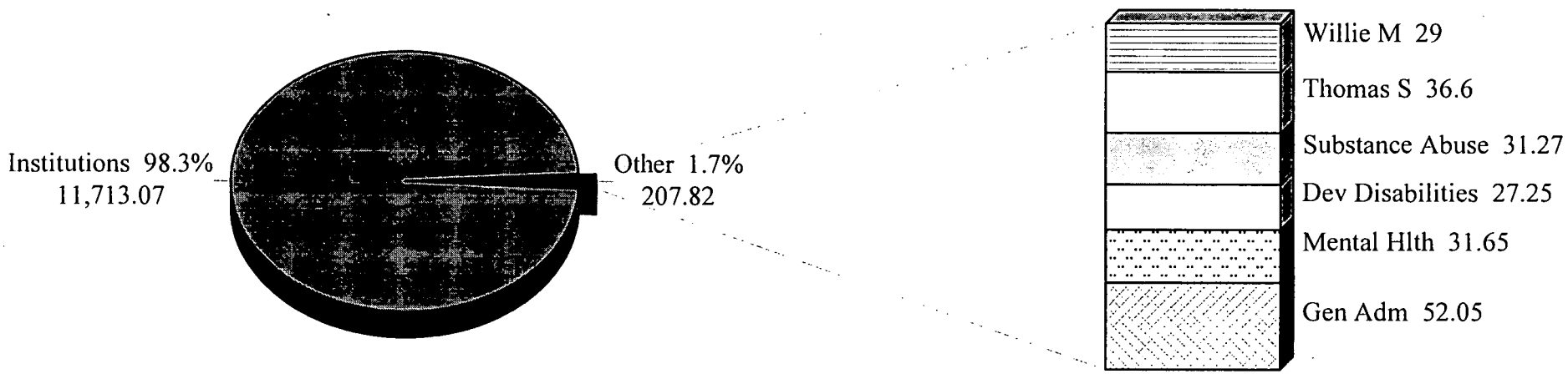
FY1996-97 Positions



Total Positions: 11,920.89

DMH/DD/SAS

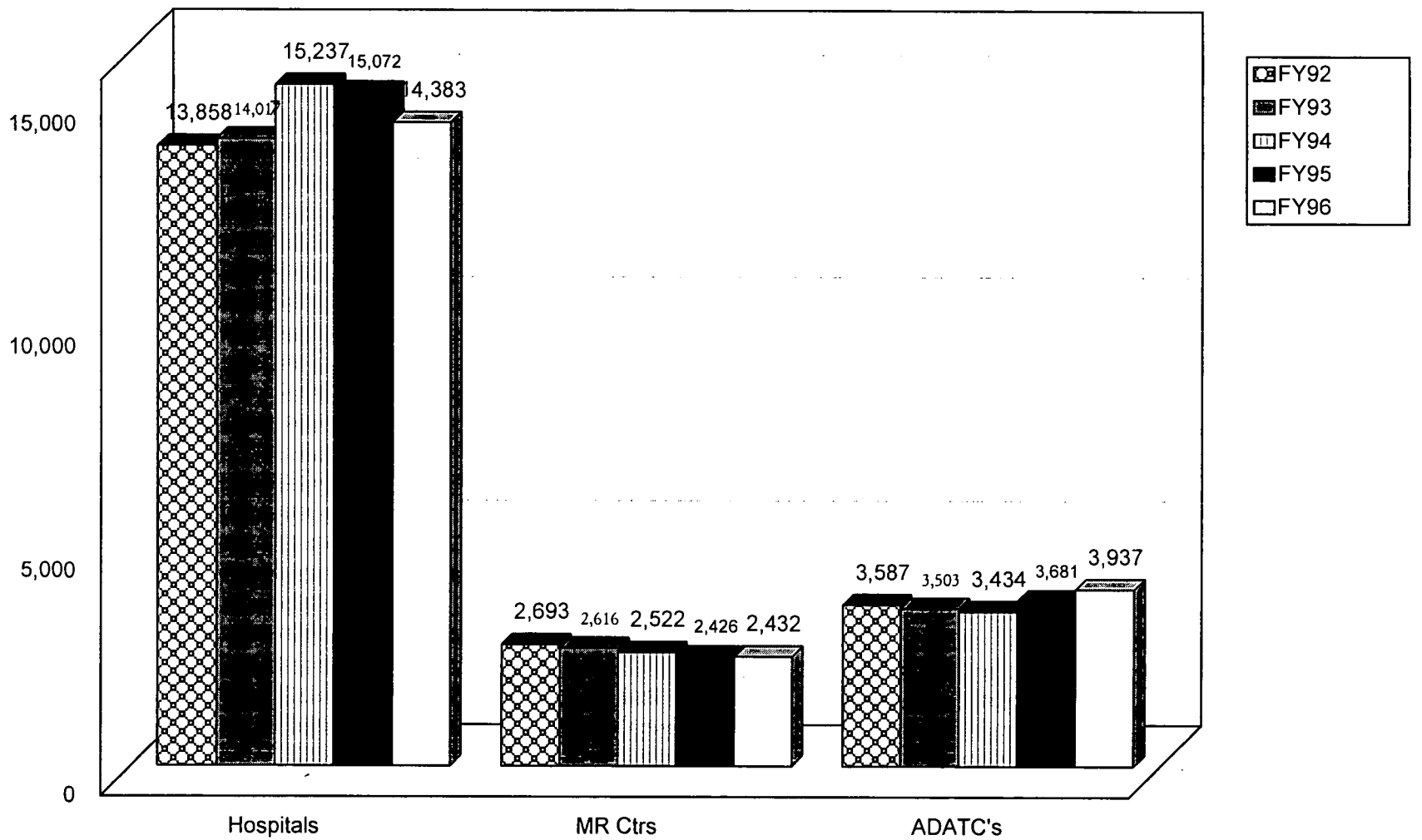
FY1996-97 Positions



Total Positions: 11,920.89

DMH/DD/SAS

Trends in Direct Service (State Facilities)



FY1991/92 - FY1995/96

Division of Mental Health/ Developmental Disabilities/Substance Abuse Services

1997-99 Governor's Recommended Reductions

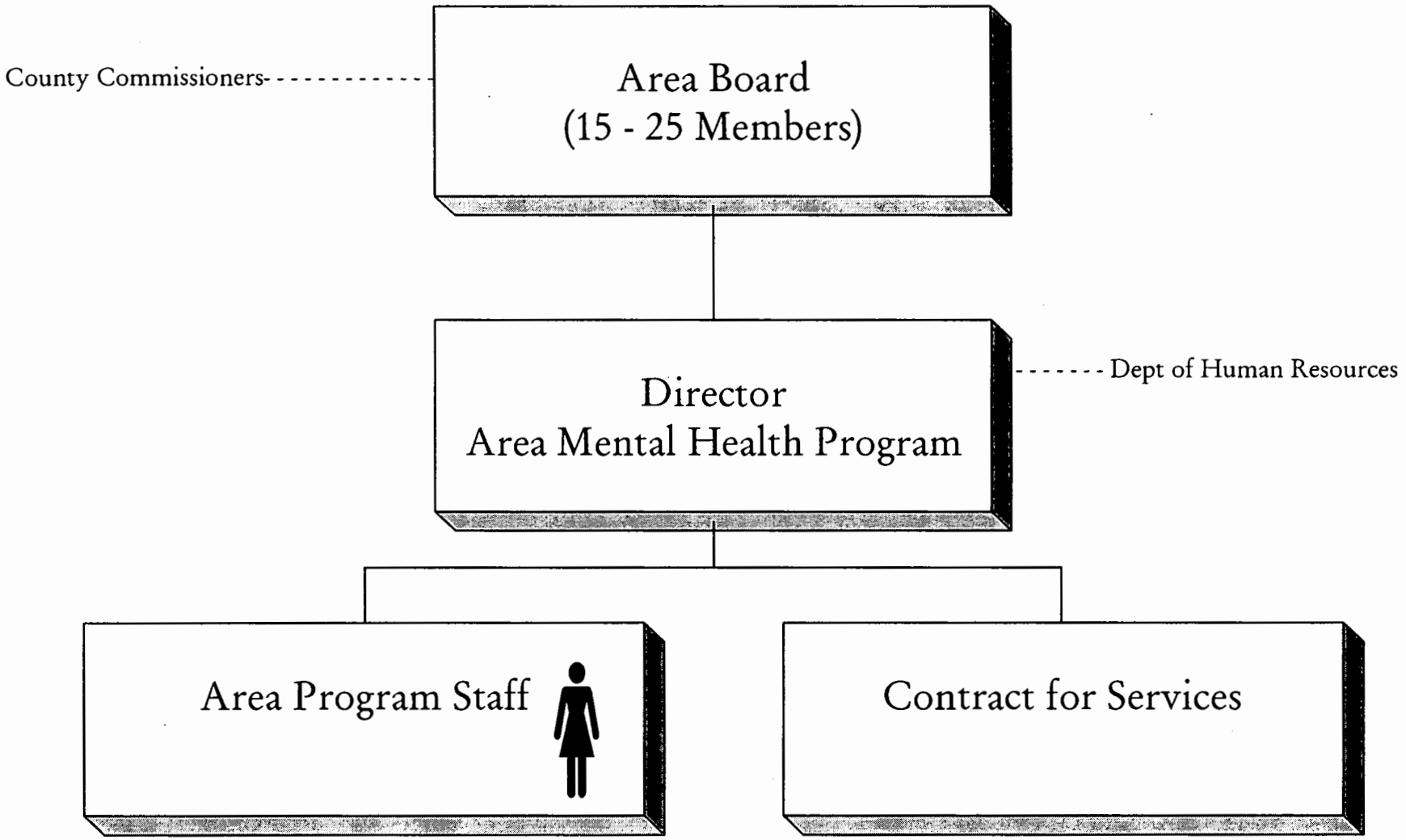
• Reduce Overtime at State Facilities	($2,341,819)	($2,341,819)
• Reduce Utilities at State Facilities	(1,099,373)	(1,119,662)
• Reduce Social Security/Retirement at State Facilities	(432,769)	(432,769)
• Reduce Willie M Community Funds (prior year revenue to replace state appropriations)	(500,000)	(500,000)
Total Reductions	**($4,373,961)**	**($4,394,250)**

FRD
2/97

Division of MH/DD/SAS

Local Service Delivery System

NORTH CAROLINA AREA MENTAL HEALTH PROGRAMS



Begin
2/26/97

NORTH CAROLINA'S SYSTEM OF SERVICE DELIVERY

AREA MENTAL HEALTH PROGRAMS

The provision of mental health in North Carolina is a cooperative effort of the state and local governments. Public mental health services are coordinated and delivered primarily on the local level by Area Mental Health Authorities/Programs. Area Programs provide services directly or under contract with other service providers. All funds appropriated by the General Assembly for the purpose ofproviding these services are adminstered by the Division of Mental Health, Developmental Disabilities and Substance Abuse Services.

Selected Facts:

* 41 Area Mental Health Programs/Authorities
  (25 are multi-county; 16 single county)
* Governed by an Area Board
* Employees Work for Area Authority
* Area Board is a Policy Making Body
* County Commissioners Appoint Area Board

Area Mental Health Programs
Selected Facts

A. Catchment Area Size (population 7/95):

Single County: Range 57,468 (Halifax) - 577,479 (Mecklenburg)

Multi-County : Range 73,630 (Roanoke-Chowan) - 320,975 (Forsyth-Stokes)

B. Persons Served FY95/96 (246,039)

Substance Abuse - 72,022 (29%)
Developmental Disabilities - 16,997 (7%)
Mentally Ill - 157,020 (64%)

C. Budgets (based on FY94/95 data)

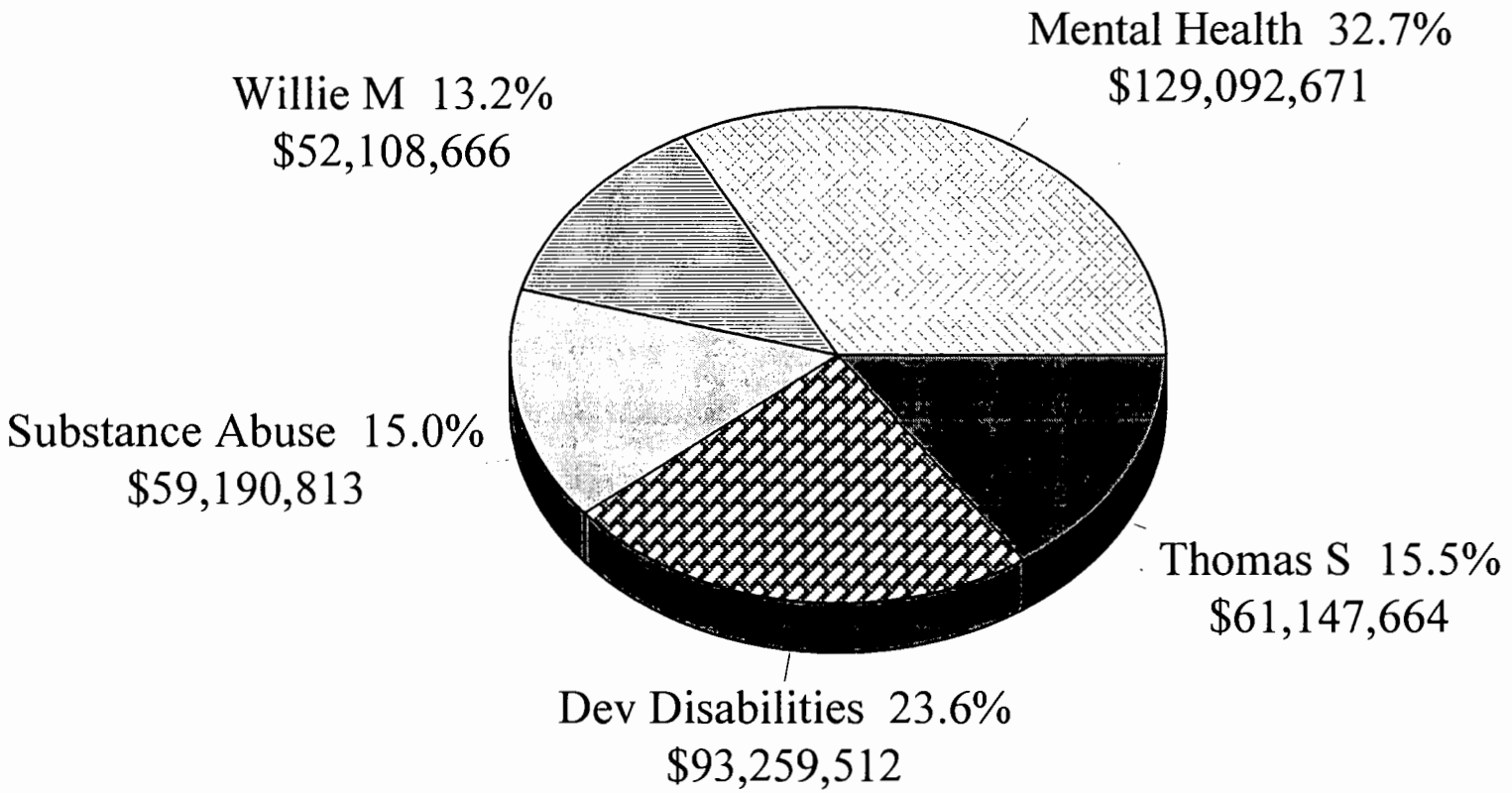
Range: $3M to $46M (total funds)

Range: $132,000 to $19.8M (county general funds)

Range: 3% to 44% (county general funds)

Area Mental Health Program Funding

FY1996-97

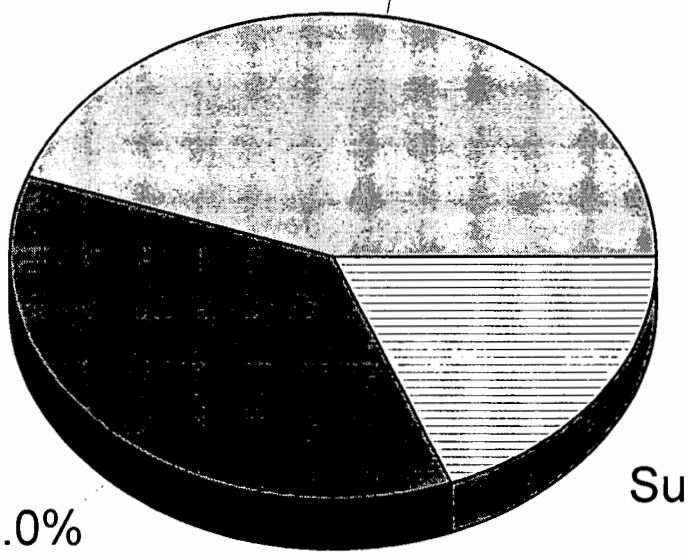


Total Appropriations: $394,799,326

Area Program Expenditures by Disability Area

FY95/96

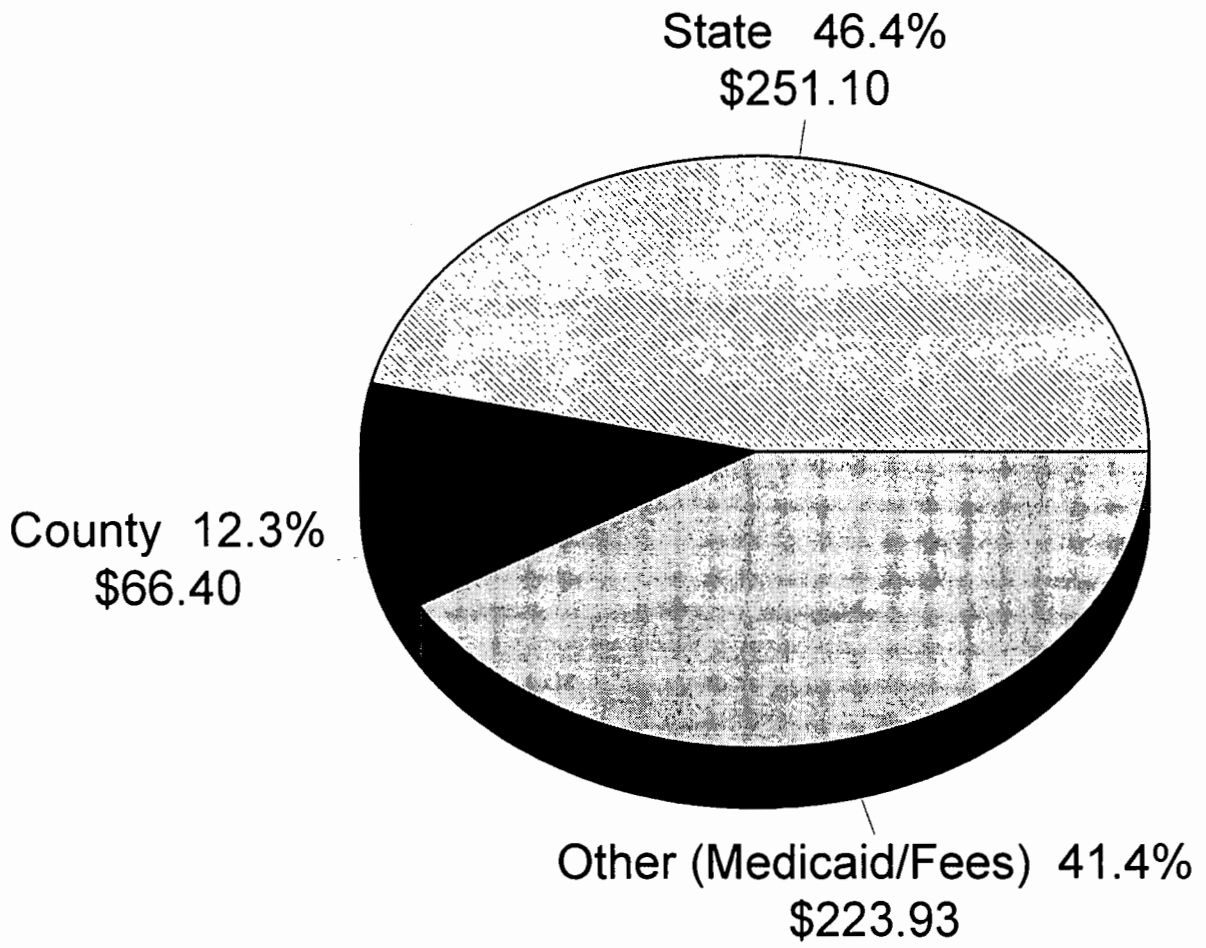
(expenditures in millions)



Total: $541.43M (excludes Thomas S & Willie M funds)

Area Program Total Funds by Source

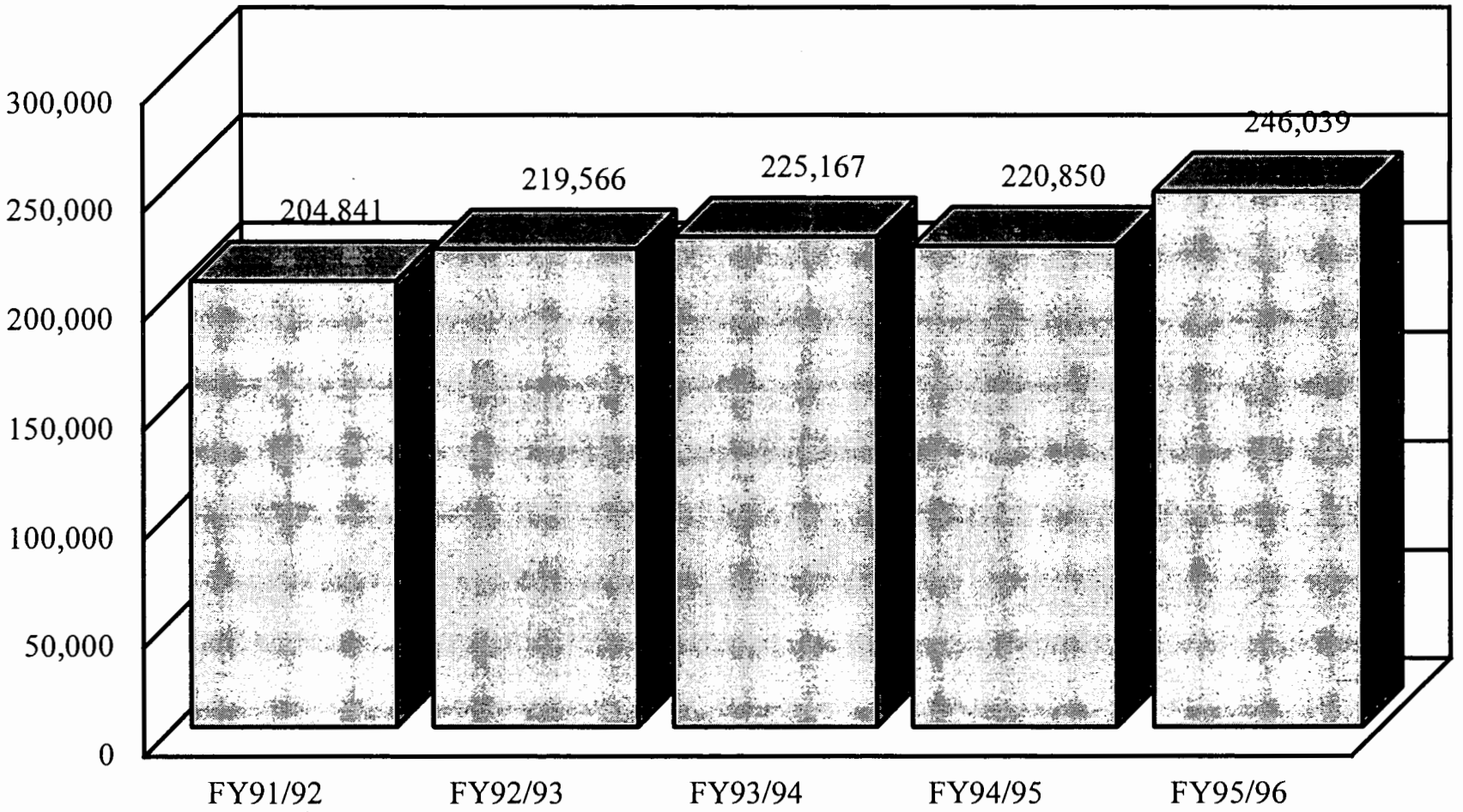
FY95/96 (in millions)



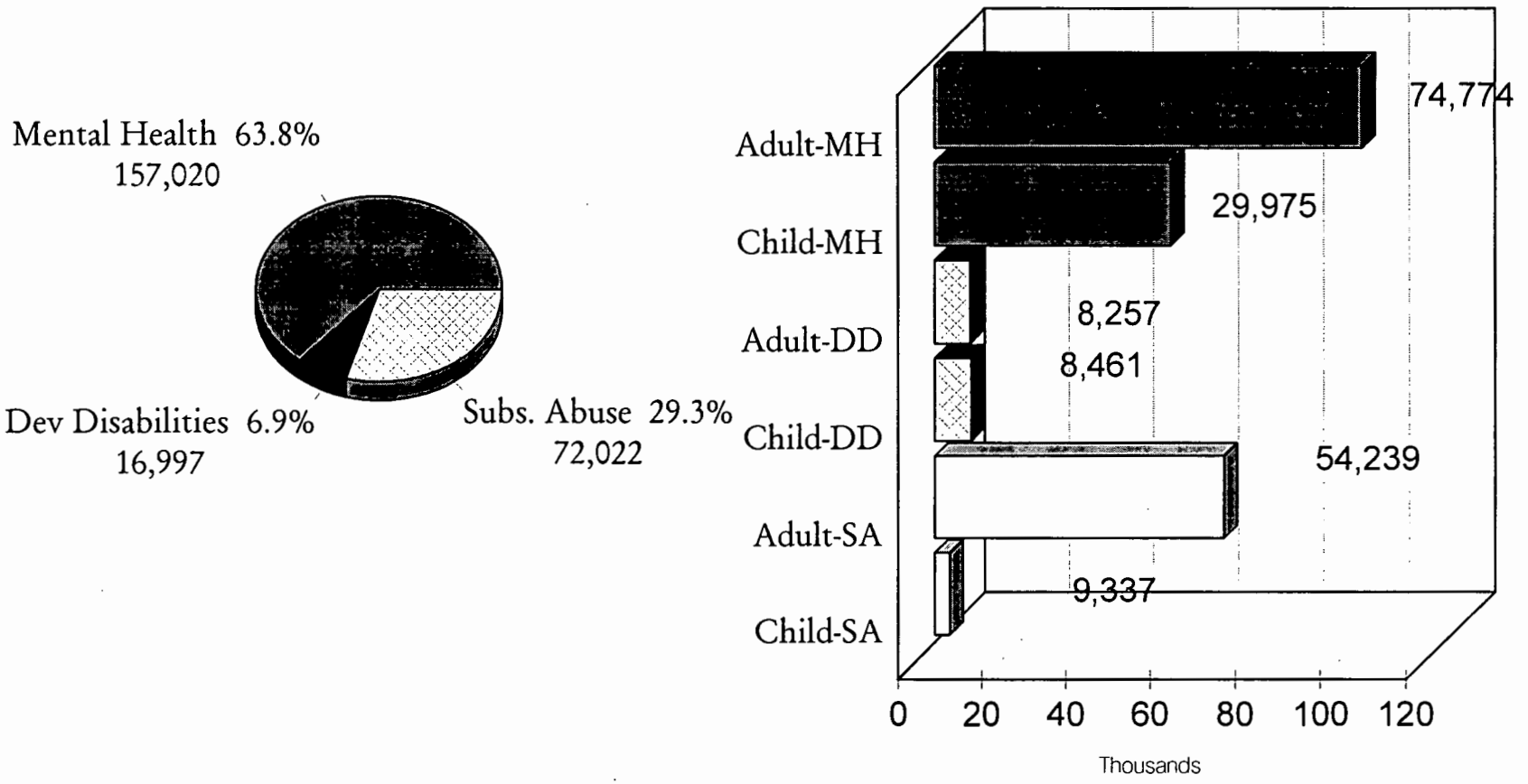
Total: $541.43M (excludes Thomas S & Willie M)

AREA MENTAL HEALTH PROGRAM

TOTAL CLIENTS SERVED
FY91/92 - FY95/96

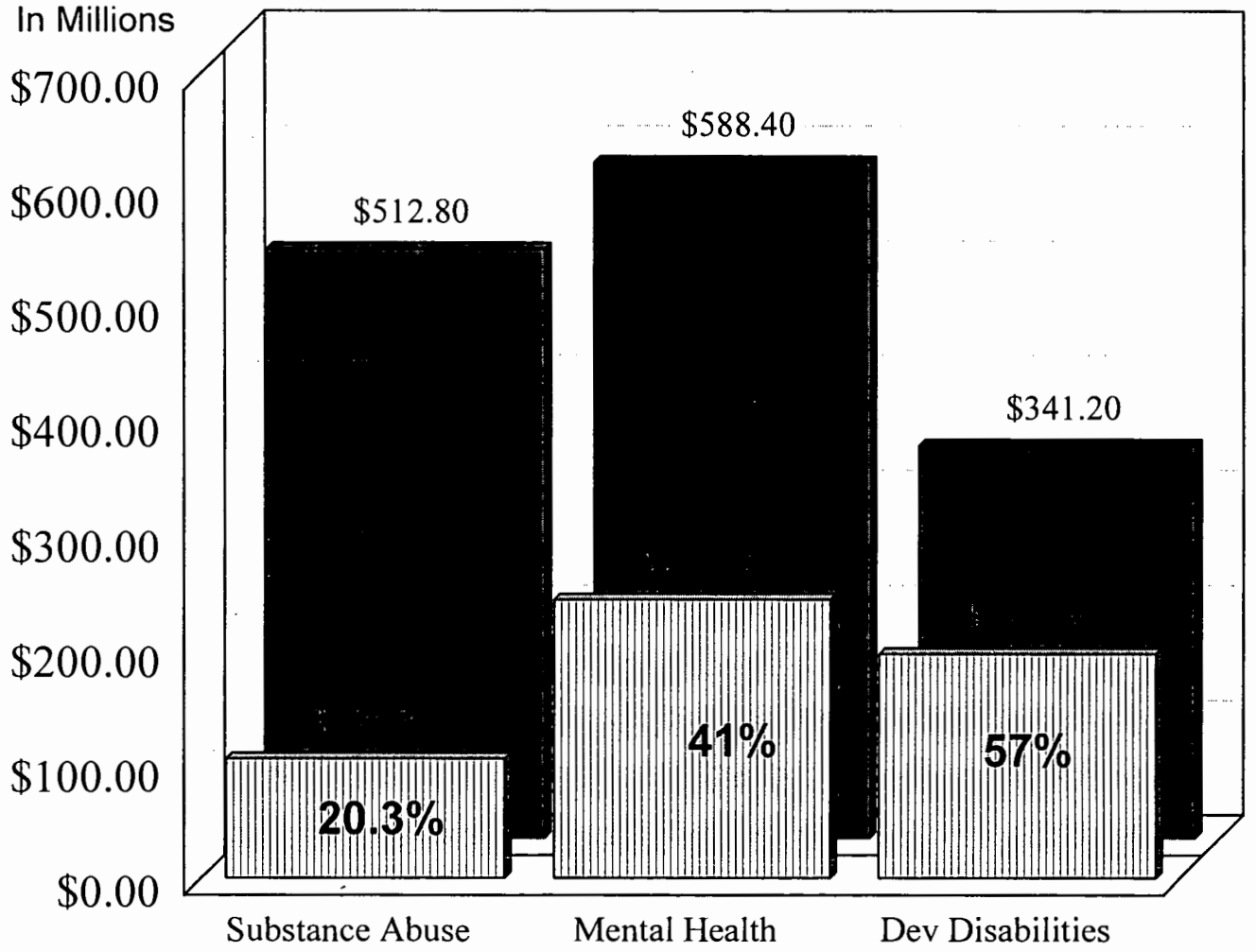


AREA MENTAL HEALTH PROGRAM
Clients Served by Disability and Age
FY95/96



Total Clients Served: 246,039

Estimated Community Based MH/DD/SAS Unmet Need by Disability Versus FY95/96 Funds



Unmet Need:

SAS $408.85M
MH 341.20M
DD 195.63M

Total: $900.97M

Total Estimated Need: $1,442.4M

FRD
2/97

Joint Subcommittee on Human Resources Appropriations

Mental Health, Developmental Disabilities & Substance Abuse Services

Policy/Issues

- Department of Human Resources Role/Authority
  -Division of MH/DD/SAS
  -Substance Abuse State Policy

- Managed Care

- Local Mental Health Delivery System
  -Governance
  -Catchment Area Size & Efficiency/Effectiveness

VISITOR REGISTRATION SHEET

JOINT APPROPRIATIONS SUBCOMMITTEE ON HUMAN RESOURCES — February 26, 1997
Name of Committee — Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK.

NAME	FIRM OR AGENCY AND ADDRESS
Beckie Stuart	PPAB
Spencer Hyerly PhD	Crisis Services, Division MH/DD/SAS
Duncan Munn	Dir of MH/DD/SAS
Lynn Stille	DMH/DD/SAS
Lenore Baker	OHH/DD/SAS
Bill Lindsay	DHR/Budget Analysis
Lynne Perrin	DHR
Spence Clark	DMH/DD/SAS
Lesley Warren	student/Meredith College
Nels Roseland	STATE BUDGET
Helen Lipma	Meck. Co.
DAVE BOLTON	DHR
Jim Seaton	DHR
Lee Kitchen	DHR
Martha Hoffman	DMH/DD/SAS
John Baggett	"

VISITOR REGISTRATION SHEET

JOINT APPROPRIATIONS SUBCOMMITTEE ON HUMAN RESOURCES — February 26, 1997
Name of Committee — Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK.

NAME	FIRM OR AGENCY AND ADDRESS
Myrna Mills	NASW-NC Chapter
Allen Zaytoun	NC Council of CP. "
John Tote	M+H/NC "
Ellen Russell	The Arc of NC
[illegible]	OSBM
[illegible]	NCARF
[illegible]	UCPNC-Coalition
Whitney Berry	DMHDDSAS
Wayne Williams	OSBM
Steve Johnson	DMHDDSAS
Don Kibbie	" " "
Mary Eldridge	"
Byron K Harris	OSBM
[illegible]	OSBM
Tammy Worth	Carolina Health Care System

VISITOR REGISTRATION SHEET

Committee: Joint Approp - Human Res Date: 2/26/97

VISITORS: Please sign below and return to Committee Clerk.

NAME	FIRM OR STATE AGENCY AND ADDRESS
George Reed	NC Council of Churches
Jo Stein	DMH/DD/SAS
Marvin Dorman	OSBM
Elizabeth Alder	NASW-NC
John Bowdish	Zeb Alley PA.
DAVID THOMPSON	SECF

Senator R.L. Clark
2/26/97

DHR - DMH/DD/SAS
RECAP OF ACTUAL EXPENDITURES, REVENUES, STAFFING AND CENSUS LEVELS
OF STATE METAL RETARDATION CENTERS
FY 1980-81 THROUGH 1995-96
Prepared December 20, 1995 by DMH/DD/SAS Fiscal Office

INSTITUTION	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88
Black Mountain Center *								
Requirements			5,781,619	6,087,913	6,428,506	7,278,329	8,319,347	8,333,980
Receipts			5,997,416	6,300,243	6,735,279	6,974,127	7,783,556	8,463,850
Appropriation			(215,797)	(212,330)	(306,773)	304,202	535,791	(129,870)
Staffing			264	267	267	267	290	292
Average Daily Population			115	116	116	114	116	116
Caswell Center								
Requirements	26,640,317	29,371,451	34,959,202	36,318,155	40,151,913	42,373,928	42,756,628	44,344,339
Receipts	8,720,485	17,307,848	25,088,624	27,265,493	28,947,127	31,149,211	32,417,366	35,432,964
Appropriation	17,919,832	12,063,603	9,870,578	9,052,662	11,204,786	11,424,717	10,339,262	8,911,375
Staffing	1,636.00	1,734.00	1,849.00	1,847.00	1,833.00	1,830.00	1,793.00	1,737.00
Average Daily Population	1,110	1,075	1,053	1,129	1,098	1,059	1,032	974
Murdoch Center								
Requirements	26,656,362	27,806,614	30,636,382	31,493,803	35,428,827	37,950,584	39,809,989	41,685,940
Receipts	13,110,099	12,053,288	14,042,182	14,748,446	18,212,077	22,824,620	24,601,310	27,705,835
Appropriation	13,546,263	15,753,326	16,594,200	16,745,357	17,216,750	15,125,964	15,208,679	13,980,105
Staffing	1,560.00	1,559.00	1,606.50	1,639.50	1,639.50	1,625.00	1,628.00	1,626.00
Average Daily Population	965	924	872	845	827	784	774	765
O'Berry Center								
Requirements	19,681,049	21,082,467	21,988,498	23,089,574	25,524,726	26,827,770	27,585,211	28,700,708
Receipts	21,249,271	19,500,061	20,000,233	21,863,777	24,556,904	24,630,199	24,846,645	26,656,775
Appropriation	(1,568,222)	1,582,406	1,988,265	1,225,797	967,822	2,197,571	2,738,566	2,043,933
Staffing	1,188.00	1,139.00	1,137.00	1,150.50	1,149.50	1,149.50	1,078.50	1,068.50
Average Daily Population	600	540	525	556	524	532	532	483
Western Carolina Center								
Requirements	23,622,508	25,092,480	20,785,335	22,179,901	24,422,958	26,101,889	27,671,736	29,478,123
Receipts	22,781,128	22,720,749	19,874,142	20,795,406	22,339,041	23,898,498	25,923,776	27,491,525
Appropriation	841,380	2,371,731	911,193	1,384,495	2,083,917	2,203,391	1,747,960	1,986,598
Staffing	1,282.50	1,268.00	994.50	986.50	1,001.30	1,001.75	1,001.75	1,018.00
Average Daily Population	584	590	476	471	463	459	463	460
TOTAL MRC'S								
Requirements	96,600,236	103,353,012	114,151,036	119,169,346	131,956,930	140,732,500	146,142,911	152,543,090
Receipts	65,860,983	71,581,946	85,002,597	90,973,365	100,790,428	109,476,655	115,572,653	125,750,949
Appropriation	30,739,253	31,771,066	29,148,439	28,195,981	31,166,502	31,255,845	30,570,258	26,792,141
Staffing	5,667	5,700	5,851	5,891	5,890	5,873	5,791	5,742
Average Daily Population	3,259	3,129	3,041	3,117	3,028	2,948	2,917	2,798

* Black Mountain Center was a component of Western Carolina Center until July 1, 1982
** Numbers displayed for FY 1995-96 represent authorized budget as of November 30, 1995 as adjusted for required downsizing.

DHR - DMH/DD/SAS
RECAP OF ACTUAL EXPENDITURES, REVENUES, STAFFING AND CENSUS LEVELS
OF STATE METAL RETARDATION CENTERS
FY 1980-81 THROUGH 1995-96
Prepared December 20, 1995 by DMH/DD/SAS Fiscal Office

INSTITUTION	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96**
Black Mountain Center *								
Requirements	8,557,627	8,619,825	10,053,399	11,365,392	12,992,185	15,164,637	14,772,554	16,760,757
Receipts	8,139,542	9,205,607	9,703,517	9,818,940	11,613,177	12,859,080	13,851,659	14,502,393
Appropriation	418,085	(585,782)	349,882	1,546,452	1,379,008	2,305,557	920,895	2,258,364
Staffing	293	293	384	385	390	465	452	452
Average Daily Population	116	117	115	147	146	148	138	151
Caswell Center								
Requirements	46,287,332	47,211,714	53,358,505	53,201,944	55,906,917	61,461,728	59,360,732	59,690,307
Receipts	37,334,937	43,011,606	50,520,423	47,671,856	49,136,107	51,396,710	56,366,579	54,663,697
Appropriation	8,952,395	4,200,108	2,838,082	5,530,088	6,770,810	10,065,018	2,994,153	5,026,610
Staffing	1,740.00	1,809.00	1,809.00	1,796.00	1,793.00	1,773.00	1,756.00	1,737.00
Average Daily Population	907	880	847	806	777	748	731	686
Murdoch Center								
Requirements	43,897,631	43,555,108	48,110,015	48,881,732	51,452,971	56,397,358	53,927,558	56,696,418
Receipts	30,147,348	34,148,224	40,442,251	40,103,745	47,558,470	49,905,193	56,313,707	54,187,41
Appropriation	13,750,283	9,406,884	7,667,764	8,777,987	3,894,501	6,492,165	(2,386,149)	2,508,999
Staffing	1,624.00	1,625.00	1,625.00	1,620.00	1,619.00	1,607.00	1,621.00	1,621.00
Average Daily Population	757	735	726	733	701	728	671	666
O'Berry Center								
Requirements	29,910,498	28,981,737	33,099,595	33,197,747	34,733,376	37,887,171	36,535,597	36,608,905
Receipts	27,259,570	30,693,905	33,980,424	32,771,593	33,329,132	37,545,324	36,309,545	36,145,854
Appropriation	2,650,928	(1,712,168)	(880,829)	426,154	1,404,244	341,847	226,052	463,051
Staffing	1,069.50	1,065.50	1,066.50	1,061.50	1,066.75	1,050.75	1,031.00	1,029.00
Average Daily Population	483	483	483	458	458	435	435	425
Western Carolina Center								
Requirements	30,766,603	30,704,824	34,421,421	34,829,770	35,985,062	39,527,686	38,069,283	38,170,934
Receipts	28,578,055	31,077,110	34,920,223	34,077,445	33,344,545	34,977,263	35,807,054	35,788,908
Appropriation	2,188,548	(372,286)	(498,802)	752,325	2,640,517	4,550,423	2,262,229	2,382,026
Staffing	1,022.00	1,035.00	1,035.00	1,029.00	1,029.50	1,016.70	1,008.70	989.70
Average Daily Population	458	454	452	448	441	428	413	396
TOTAL MRC'S								
Requirements	159,419,691	159,073,208	179,042,935	181,476,585	191,070,511	210,438,580	202,665,724	207,927,321
Receipts	131,459,452	148,136,452	169,566,838	164,443,579	174,981,431	186,683,570	198,648,544	195,288,271
Appropriation	27,960,239	10,936,756	9,476,097	17,033,006	16,089,080	23,755,010	4,017,180	12,639,050
Staffing	5,749	5,828	5,920	5,892	5,898	5,912	5,869	5,829
Average Daily Population	2,721	2,669	2,623	2,592	2,523	2,487	2,388	2,324

* Black Mountain Center was a component of Western Carolina Center until July 1, 1982
** Numbers displayed for FY 1995-96 represent authorized budget as of November 30, 1995 as adjusted for required downsizing.

JOINT APPROPRIATIONS SUBCOMMITTEE ON HUMAN RESOURCES
MINUTES
FEBRUARY 27, 1997
A.M.

The Joint Appropriations Subcommittee on Human Resources met on Thursday, February 27, 1997 at 8:30 a.m. in Room 424. Co-Chair Representative Charlotte Gardner presided. She introduced Elizabeth Cook and Patrice Busman of Wake County as the House Pages and Tracy Bleau as the Senate Page. Six Senators were present. The following House members attended:

Representative Charlotte Gardner, Co-Chair
Representative Lanier Cansler, Co-Chair
Representative Martha Alexander
Representative Alma Adams
Representative Edd Nye
Representative Cindy Watson
Representative Henry Aldridge

Karen Hammonds-Blanks of Fiscal Staff presented the 1997-99 Budget and Program Overview of the Division of Mental Health, Developmental Disabilities and Substance Abuse Services. (See Attachment #2)

Senator Phillips asked what the actual yearly amount of money reimbursed from patients, parents, etc. is other than Medicaid. Phillip Hoffman will get that information.

Senator Dannelly wanted to know the comparative size of the Whitaker School and the Wright School. Ms. Hammonds-Blanks will get that information.

Senator Phillips asked about whether the training schools were more than holding areas for children and was told that Gwen Chumm would address issue that when the Division of Youth Services made its presentation.

Senator Forrester asked what deficiencies there are in patient to staff ratios and whether North Carolina is meeting any standards. He would like to see the accreditation report on the institutions, and Mr. Baggett will get that report for him.

Representative Cansler noted the difference in the cost of care between Broughton and Cherry and requested an analysis of the difference in the cost per bed which he said amounts to about $11 million a year.

Senator Dannelly wants to see a breakdown of services per day compared with cost and Phillip Hoffman will do the analysis.

Senator Miller requested a comprehensive Department report on the difference in service at Broughton and Dix.

Senator Martin would like to get a chart of each category in institutions over a 10 year time period to show the census, cost (adjusted for inflation) and the increase in community based care.

The meeting will reconvene in the afternoon after the House adjourns.

Respectfully submitted,

Barbara R. Hocutt

Barbara R. Hocutt
Clerk

APPROVED:_____
REPRESENTATIVE CHARLOTTE A. GARDNER, CO-CHAIR

CAG:brh

2/27 am #2

DIVISION OF MENTAL HEALTH/DEVELOPMENTAL DISABILITIES/SUBSTANCE ABUSE SERVICES

BUDGET/PROGRAM OVERVIEW

Fiscal Research Division

February 25, 1997

Division of Mental Health/Developmental Disabilities/Substance Abuse Services

Mission

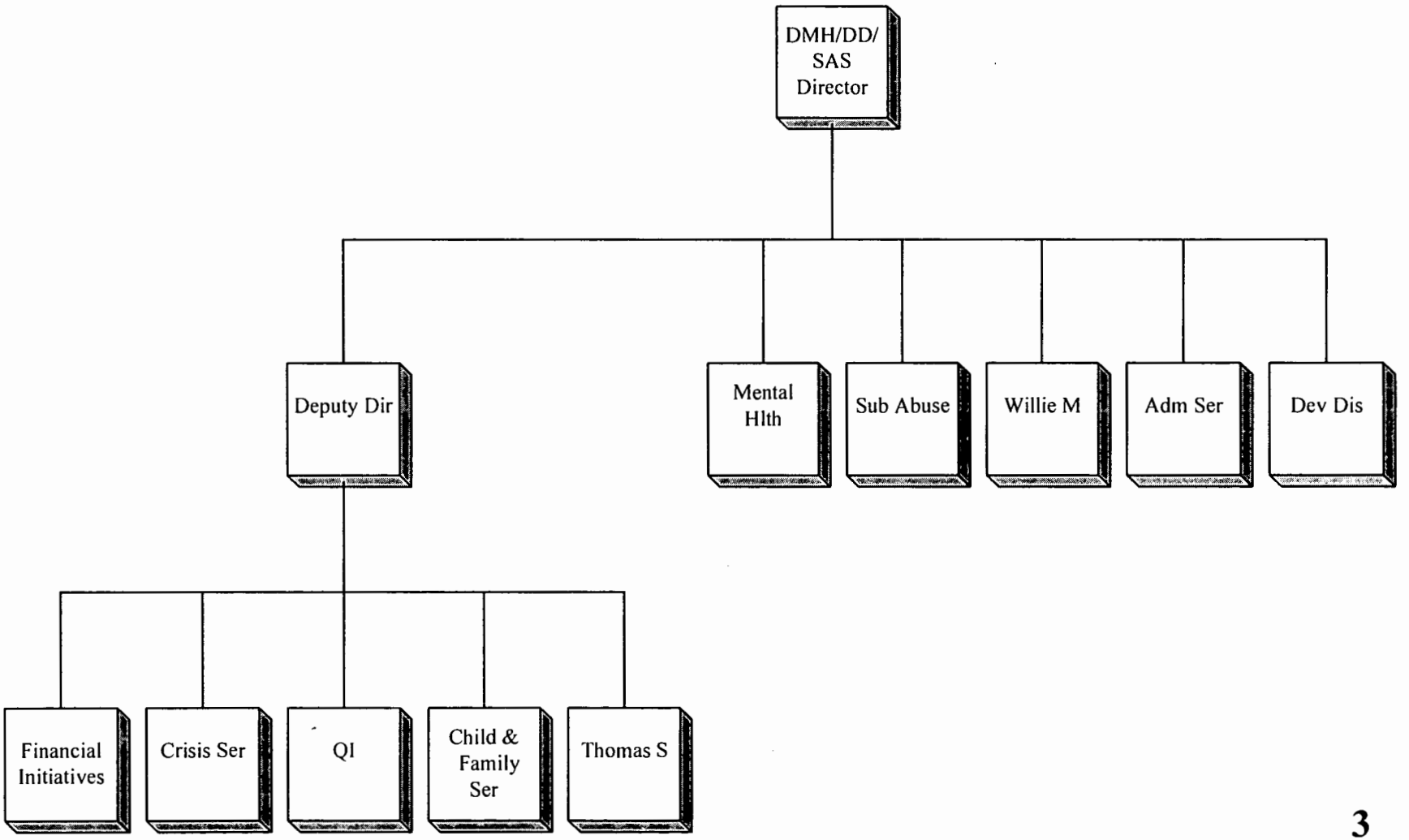
- To respond to the mental health, developmental disabilities and substance abuse needs of the people of North Carolina with the most appropriate and efficient programs and services. To assure the provision of quality clinical services institutions and area programs.

Policy (G.S. Section 122C-2)

- The policy of the State is to assist individuals with mental illness, developmental disabilities, and substance abuse problems in ways consistent with the dignity, rights, and responsibilities of all North Carolina citizens. Within available resources, it is the obligation of the State and local government to provide services to eliminate, reduce, or prevent the disabling effects of mental illness, developmental disabilities, and substance abuse through a service delivery system designed to meet the needs of clients in the least restrictive available setting, if the least restrictive setting is therapeutically most appropriate, and to maximize their quality of life.

DEPARTMENT OF HUMAN RESOURCES

Division of Mental Health/Developmental Disabilities/Substance Abuse Services



July 1996

Division of MH/DD/SAS

Sections within DMH/DD/SAS

- Mental Health
- Child & Family Services
- Willie M Services
- Developmental Disabilities
- Thomas S Services
- Substance Abuse Services

Programs

- Quality Improvements
- Financial Initiatives
- Administrative Services

Support

DMH/DD/SAS

Oversight & Regulatory Commissions

Commission for MH/DD/SAS

-G.S. 143B-147 through 143B-150
-26-member regulatory body
-adopt/amend/repeal rules for state & local mh/dd/sas

Legislative Study Commission on MH/DD/SAS

-G.S. 120-204 through 120-207
-21 members
-review systemwide issues affecting mh/dd/sas

Division of Mental Health/Developmental Disabilities/Substance Abuse Services

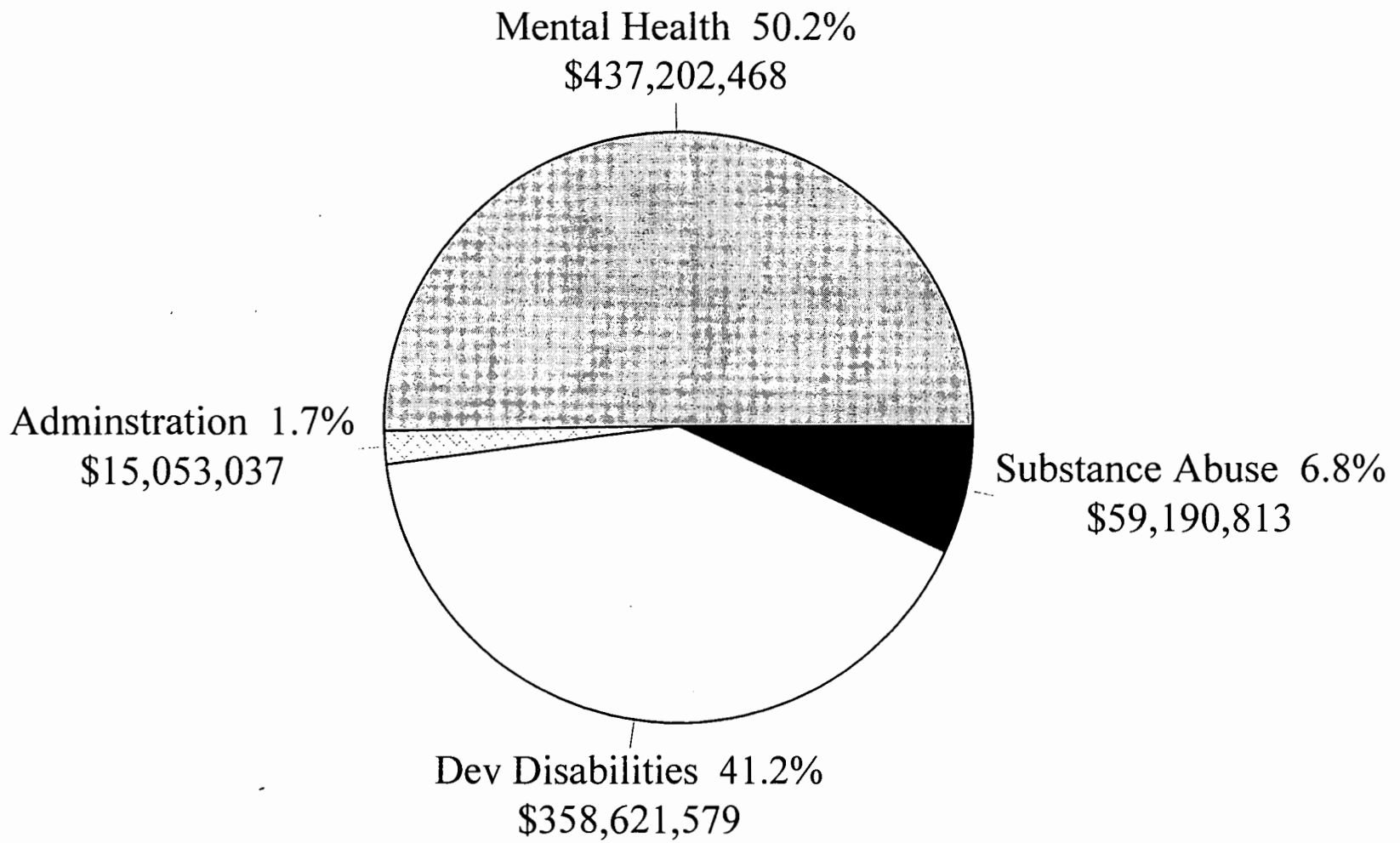
BUDGET SUMMARY:	FY95/96 Actual	FY96/97 Certified	FY96/97 Authorized	FY97/98 Rec'd.	FY97/98 Rec'd.
Requirements	$1,071,812,443	$877,882,263	$881,609,686	$912,368,012	$927,283,316
Revenues	598,677,150	399,316,865	403,395,706	392,017,922	393,281,767
Appropriations	473,135,293	478,565,398	478,213,980	520,350,090	534,001,549
				9%	3%
TOTAL POSITIONS	12,129.86	11,867.5	11,920.89	11,984.39	11,894.39

SELECTED LEGISLATIVE BUDGET HIGHLIGHTS

Reductions:	FY 93/95 Biennium	FY 95/97 Biennium
1. Area Programs	($3,181,230)	($17,791,644)
2. Position Eliminations	(59.52)	(181.0)
Expansion:		
1. Willie M Services	$ 9,900,000	$ 4,000,000
2. Thomas S Services	$24,548,842	$19,200,000
3. Community Based Ser	$17,178,675	$ 14,000,000

DMH/DD/SAS

Total Expenditures by Disability

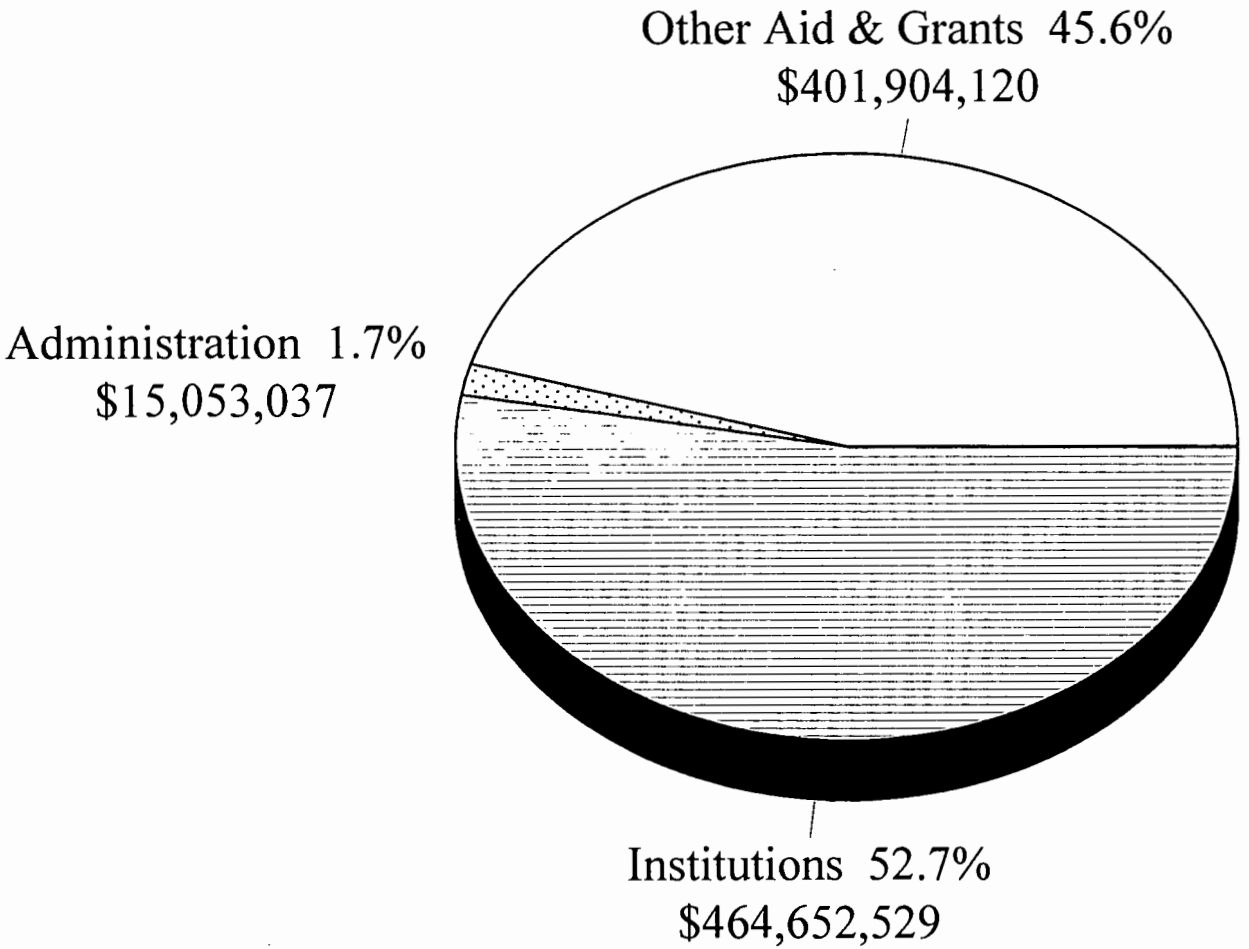


FRD
2/97

FY96/97 Authorized Budget: $881,609,686

DMH/DD/SAS

How Are Funds Spent?

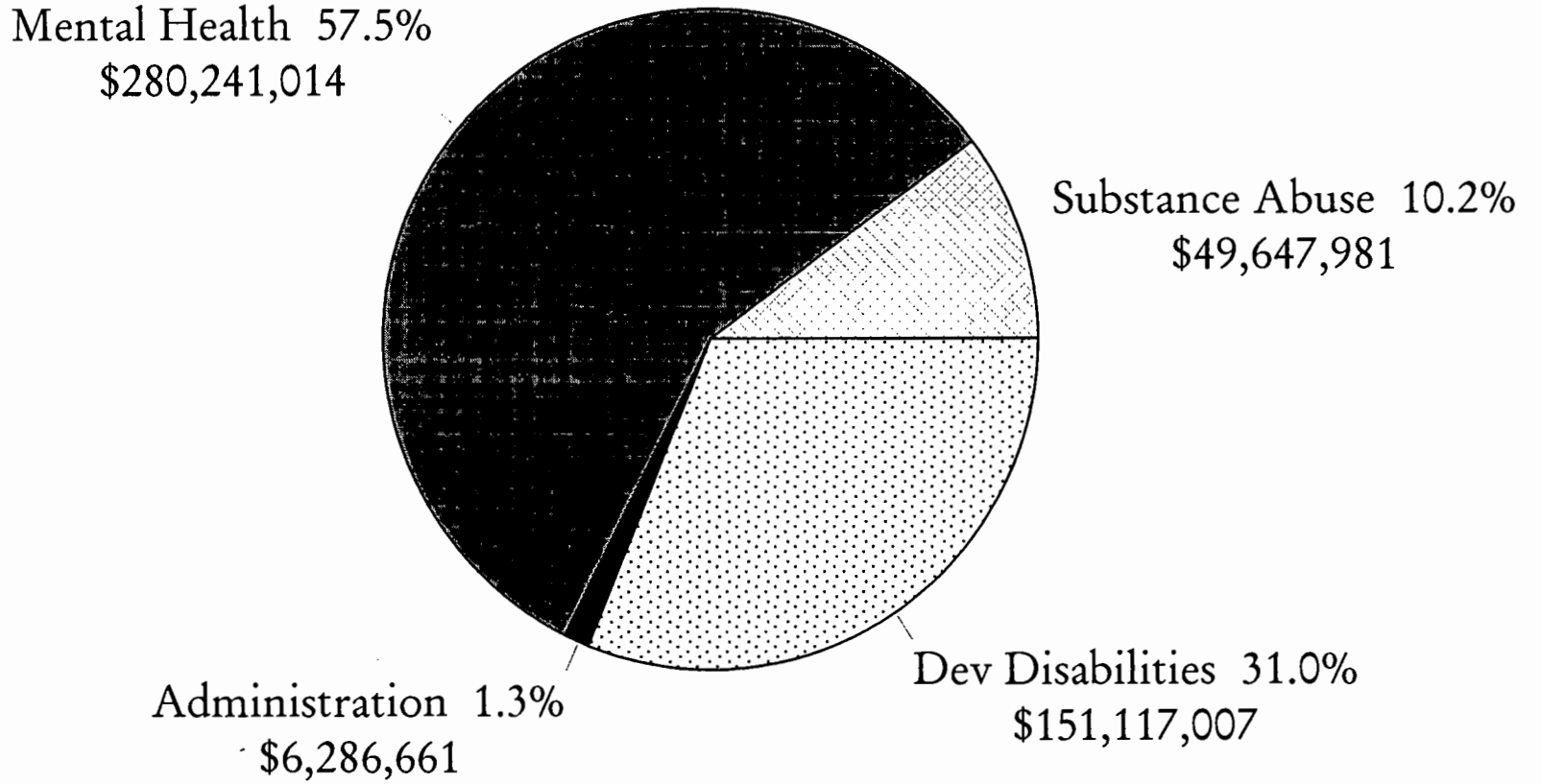


FY96/97 Total Requirements: $881,609,686

FRD
2/97

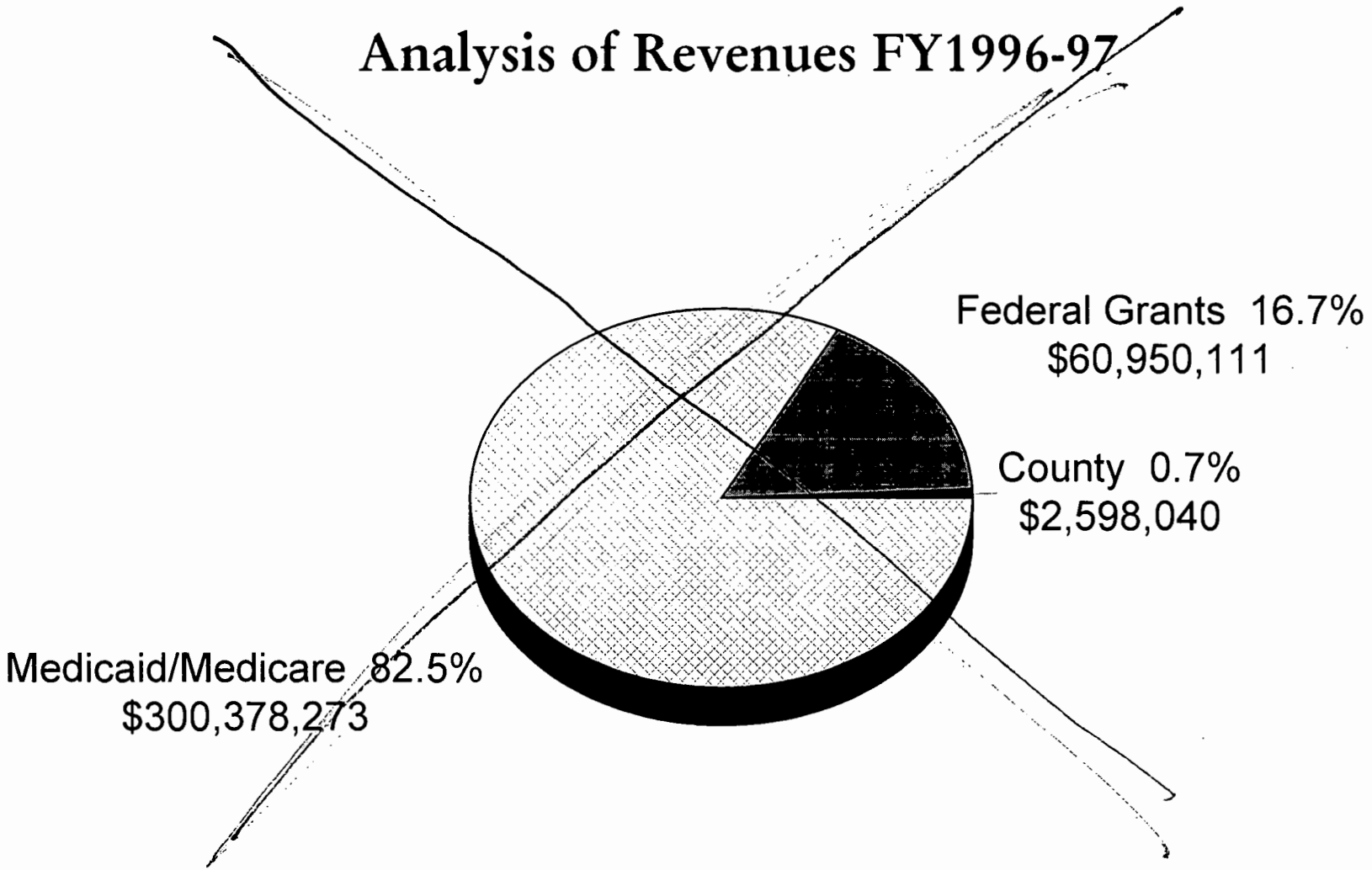
DMH/DD/SAS

State Appropriations by Disability Area



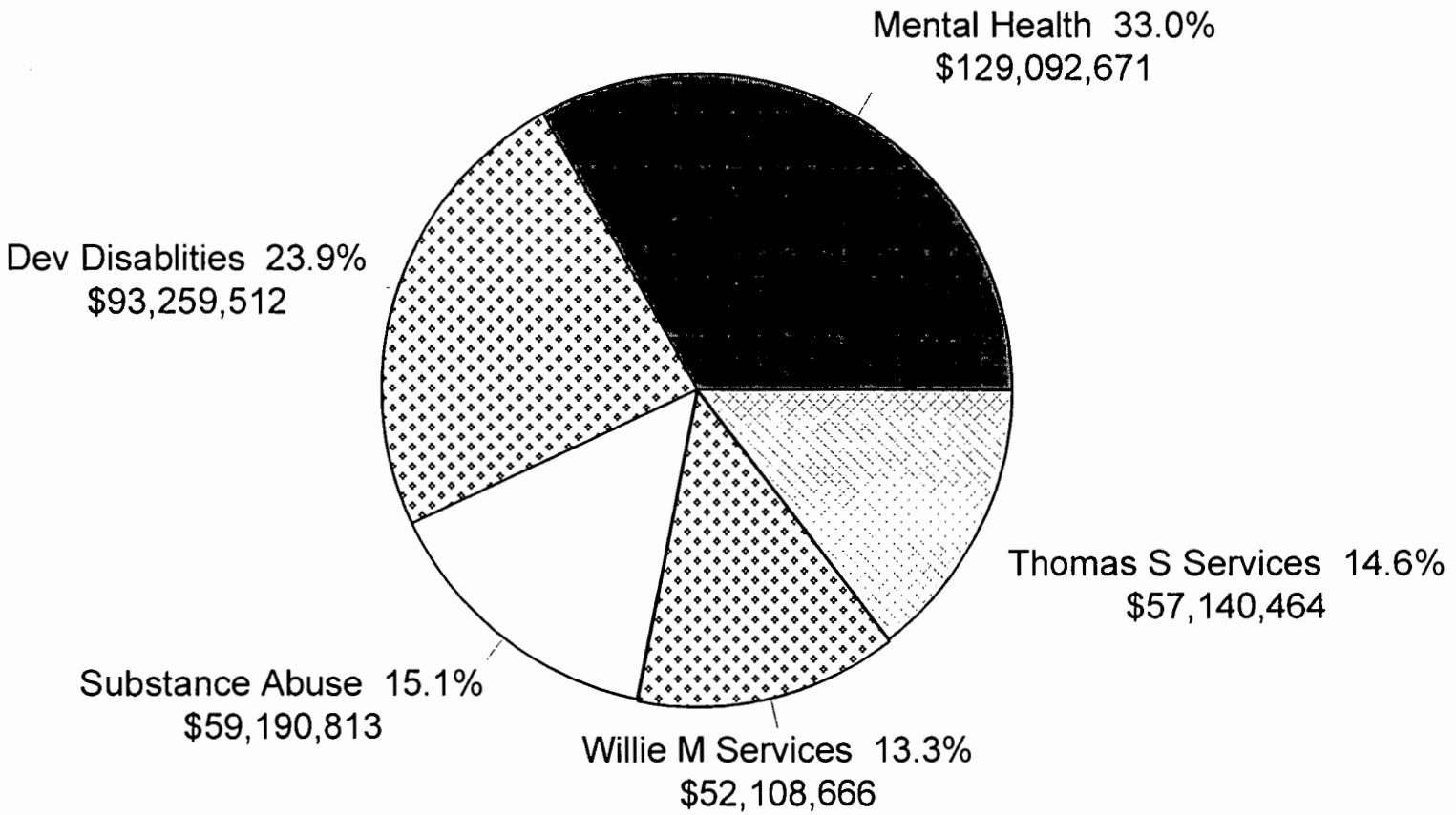
FY96/97 Appropriations: $478,213,980

DMH/DD/SAS



Total Revenues: $403,395,706

Community Programs Funding by Disability Area

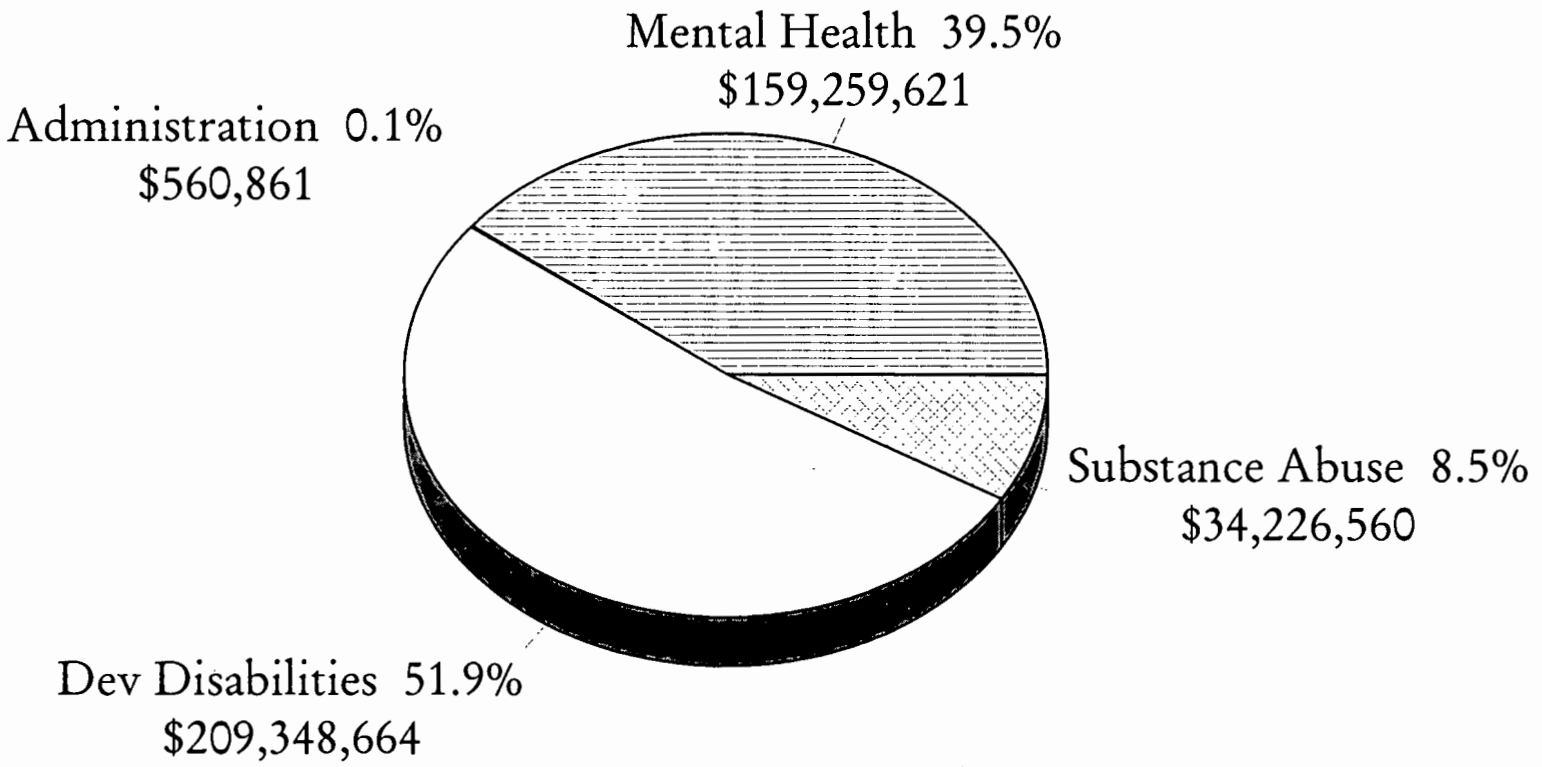


FRD
2/97

Total FY96/97 Expenditures: $390,792,126

DMH/DD/SAS

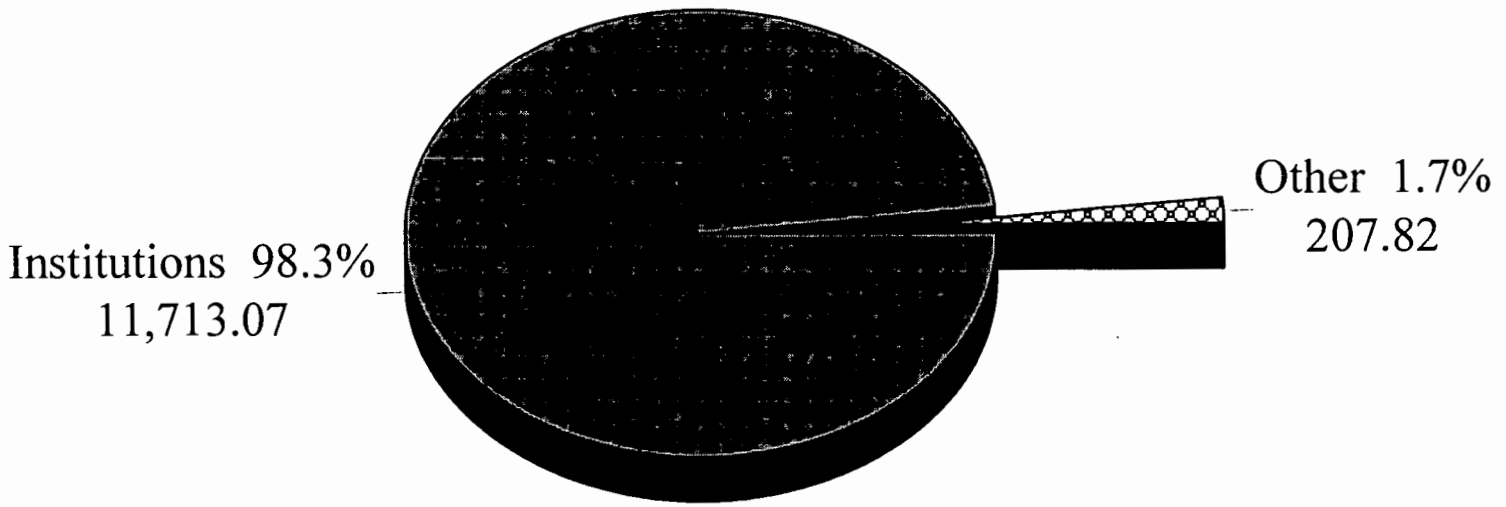
Total Revenues by Disability



FY96/97 Total Revenues: $403,395,706

DMH/DD/SAS

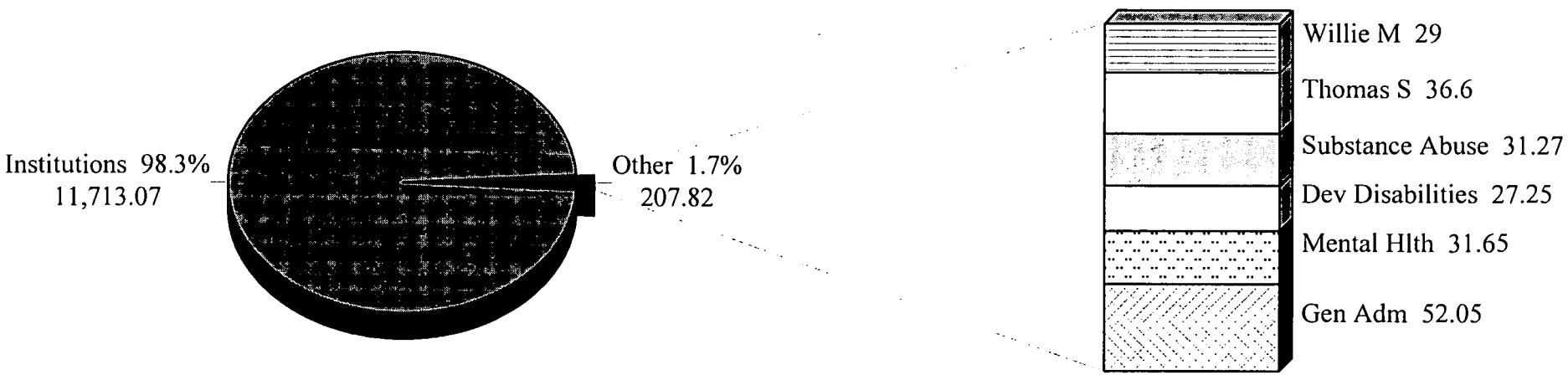
FY1996-97 Positions



Total Positions: 11,920.89

DMH/DD/SAS

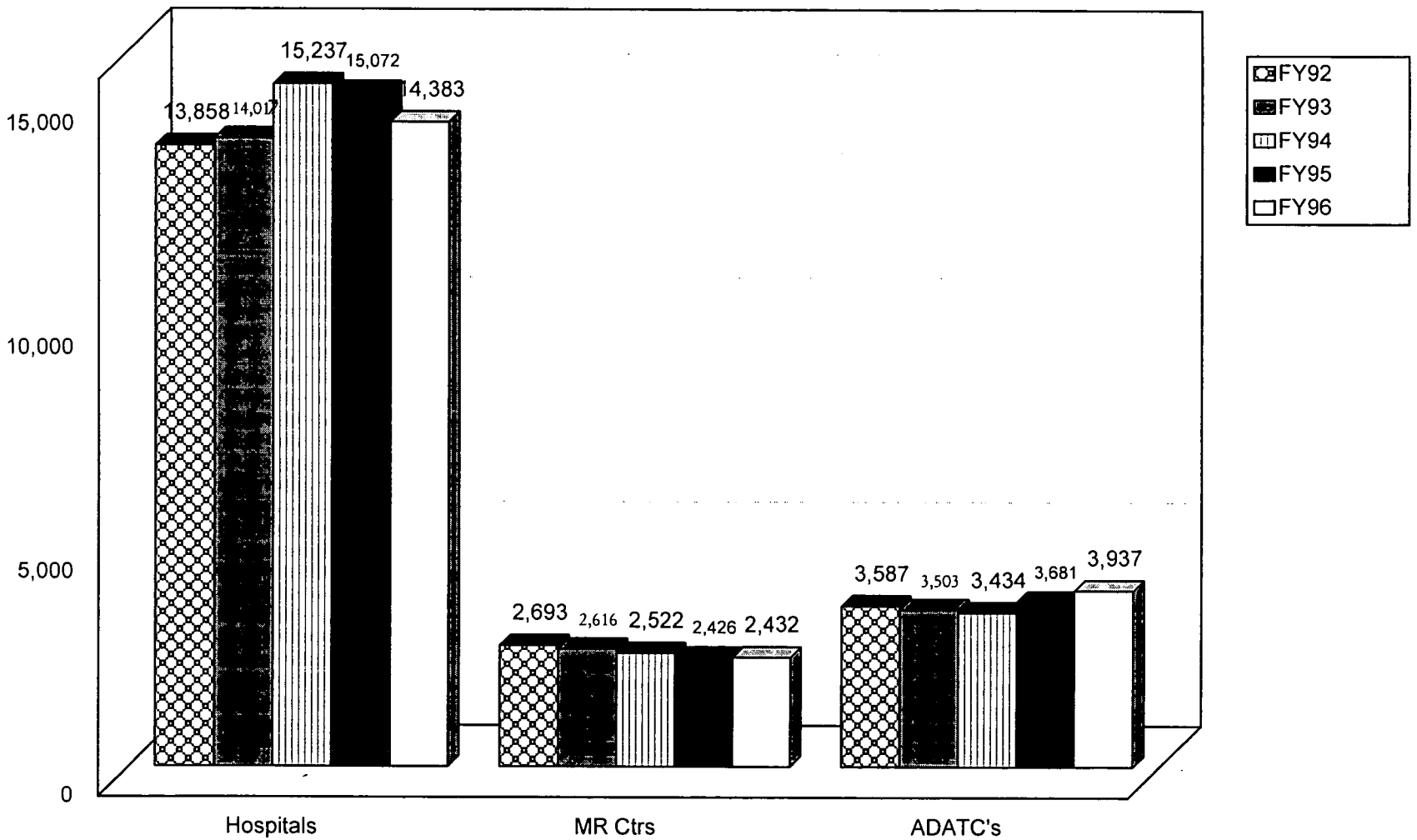
FY1996-97 Positions



Total Positions: 11,920.89

DMH/DD/SAS

Trends in Direct Service (State Facilities)



FY1991/92 - FY1995/96

Division of Mental Health/ Developmental Disabilities/Substance Abuse Services

1997-99 Governor's Recommended Reductions

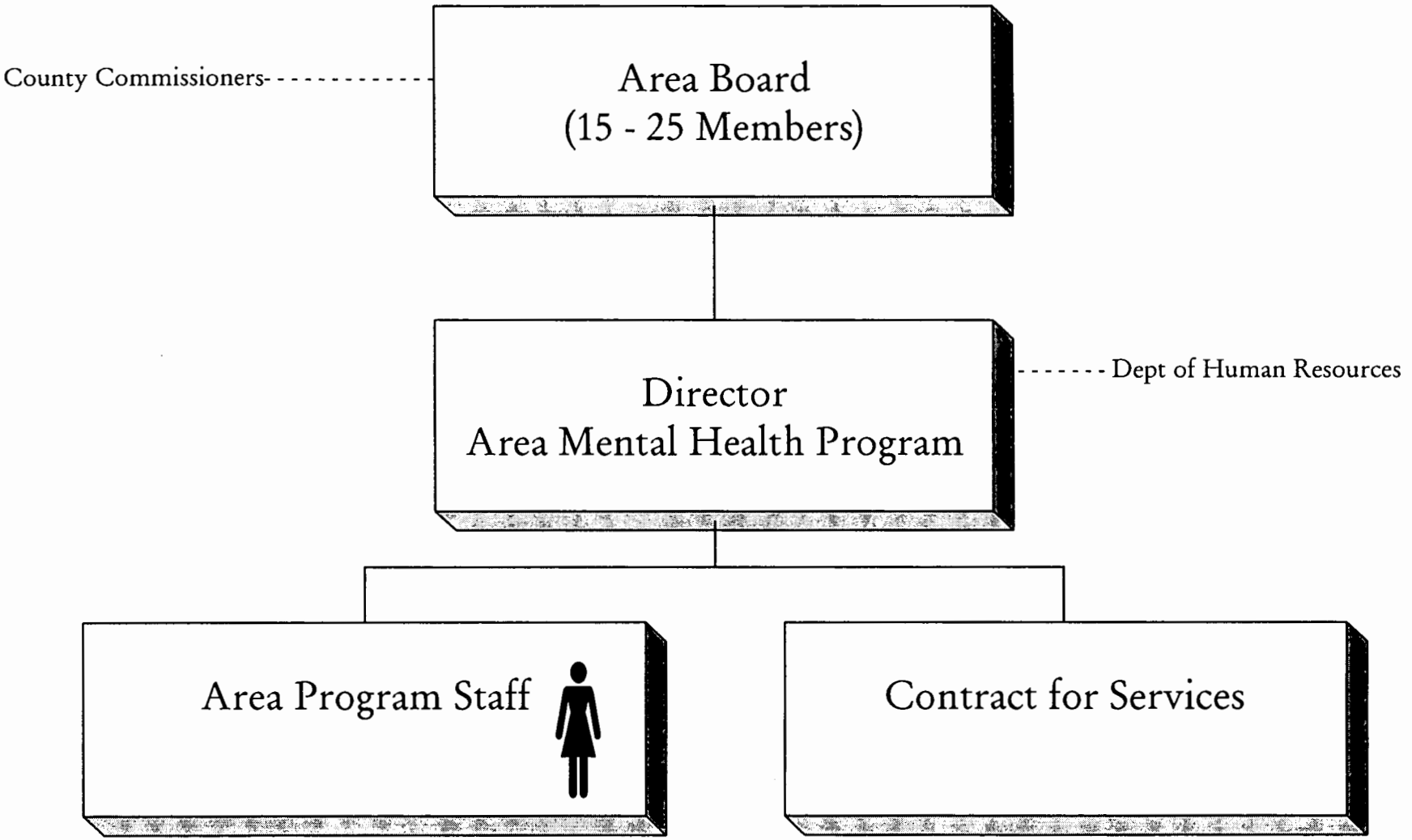
• Reduce Overtime at State Facilities	($2,341,819)	($2,341,819)
• Reduce Utilities at State Facilities	(1,099,373)	(1,119,662)
• Reduce Social Security/Retirement at State Facilities	(432,769)	(432,769)
• Reduce Willie M Community Funds (prior year revenue to replace state appropriations)	(500,000)	(500,000)
Total Reductions	**($4,373,961)**	**($4,394,250)**

FRD
2/97

Division of MH/DD/SAS

Local Service Delivery System

NORTH CAROLINA AREA MENTAL HEALTH PROGRAMS



NORTH CAROLINA'S SYSTEM OF SERVICE DELIVERY

AREA MENTAL HEALTH PROGRAMS

The provision of mental health in North Carolina is a cooperative effort of the state and local governments. Public mental health services are coordinated and delivered primarily on the local level by Area Mental Health Authorities/Programs. Area Programs provide services directly or under contract with other service providers. All funds appropriated by the General Assembly for the purpose ofproviding these services are adminstered by the Division of Mental Health, Develop-mental Disabilities and Substance Abuse Services.

Selected Facts:

* 41 Area Mental Health Programs/Authorities
  (25 are multi-county; 16 single county)
* Governed by an Area Board
* Employees Work for Area Authority
* Area Board is a Policy Making Body
* County Commissioners Appoint Area Board

Area Mental Health Programs
Selected Facts

A. Catchment Area Size (population 7/95):

Single County: Range 57,468 (Halifax) - 577,479 (Mecklenburg)

Multi-County : Range 73,630 (Roanoke-Chowan) - 320,975 (Forsyth-Stokes)

B. Persons Served FY95/96 (246,039)

Substance Abuse - 72,022 (29%)
Developmental Disabilities - 16,997 (7%)
Mentally Ill - 157,020 (64%)

C. Budgets (based on FY94/95 data)

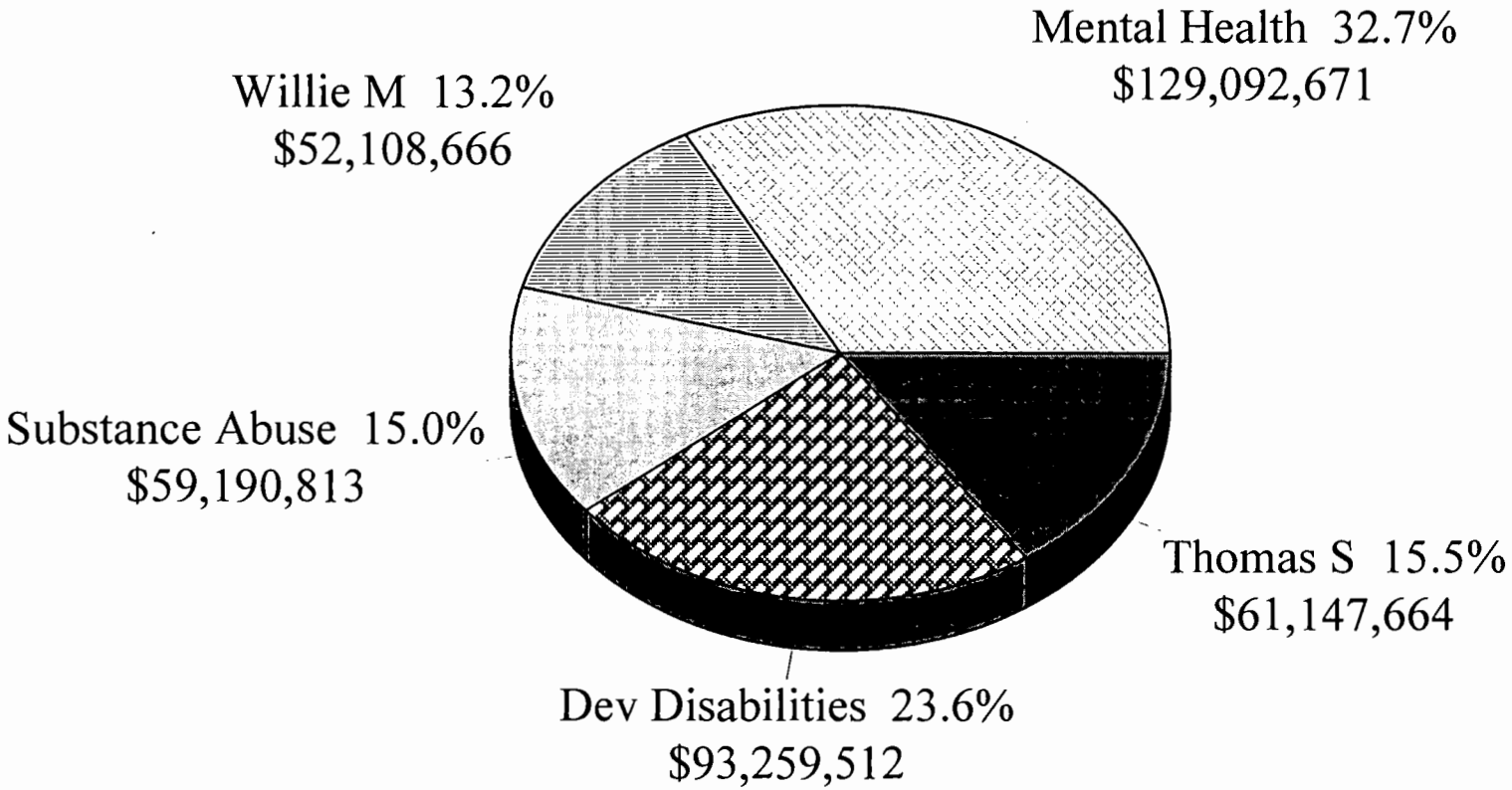
Range: $3M to $46M (total funds)

Range: $132,000 to $19.8M (county general funds)

Range: 3% to 44% (county general funds)

Area Mental Health Program Funding

FY1996-97

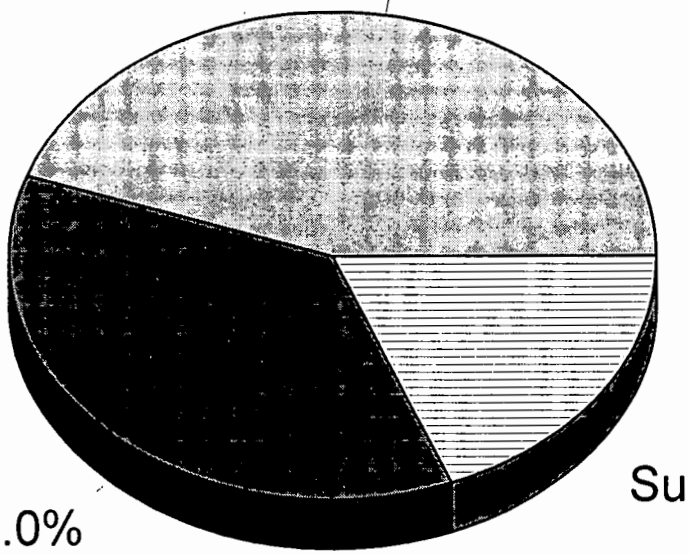


Total Appropriations: $394,799,326

Area Program Expenditures by Disability Area

FY95/96

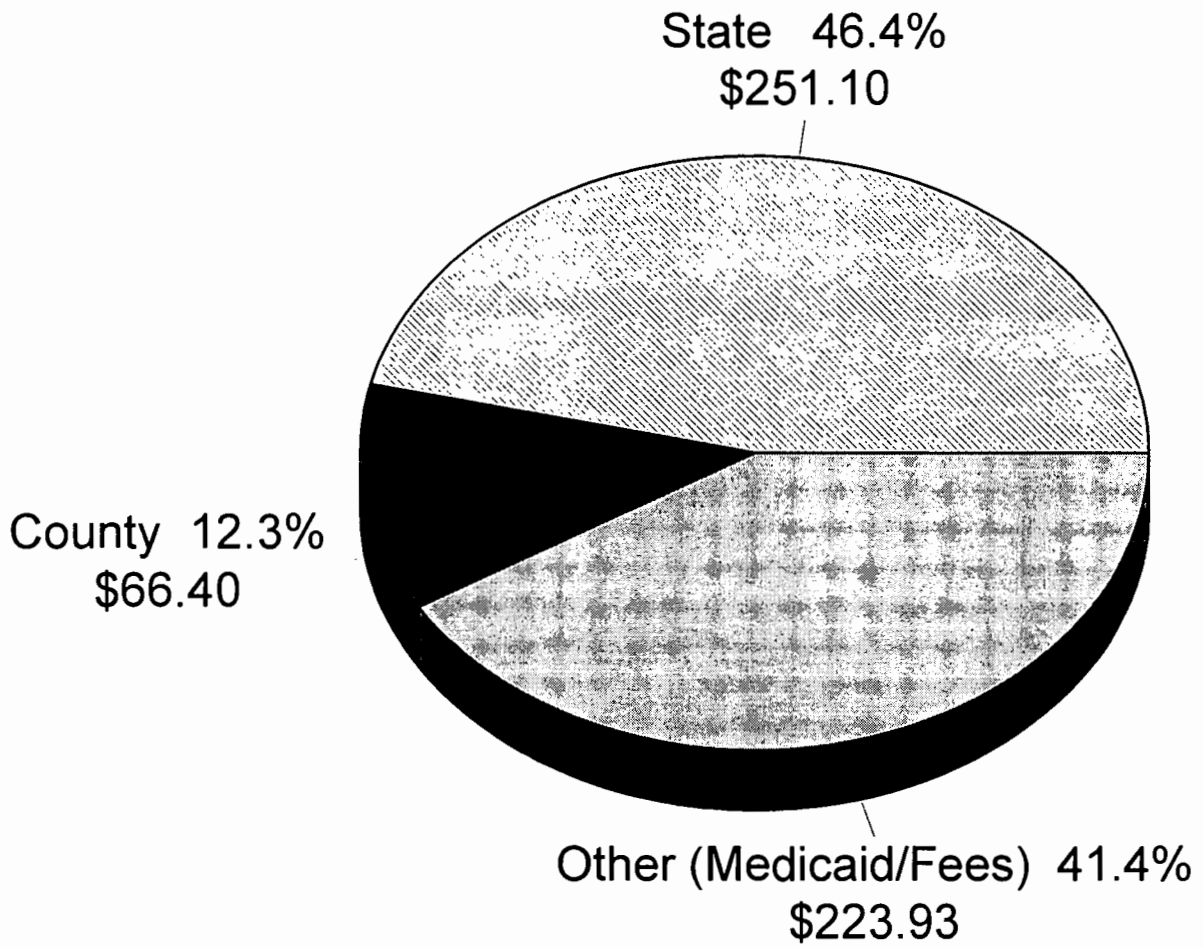
(expenditures in millions)



Total: $541.43M (excludes Thomas S & Willie M funds)

Area Program Total Funds by Source

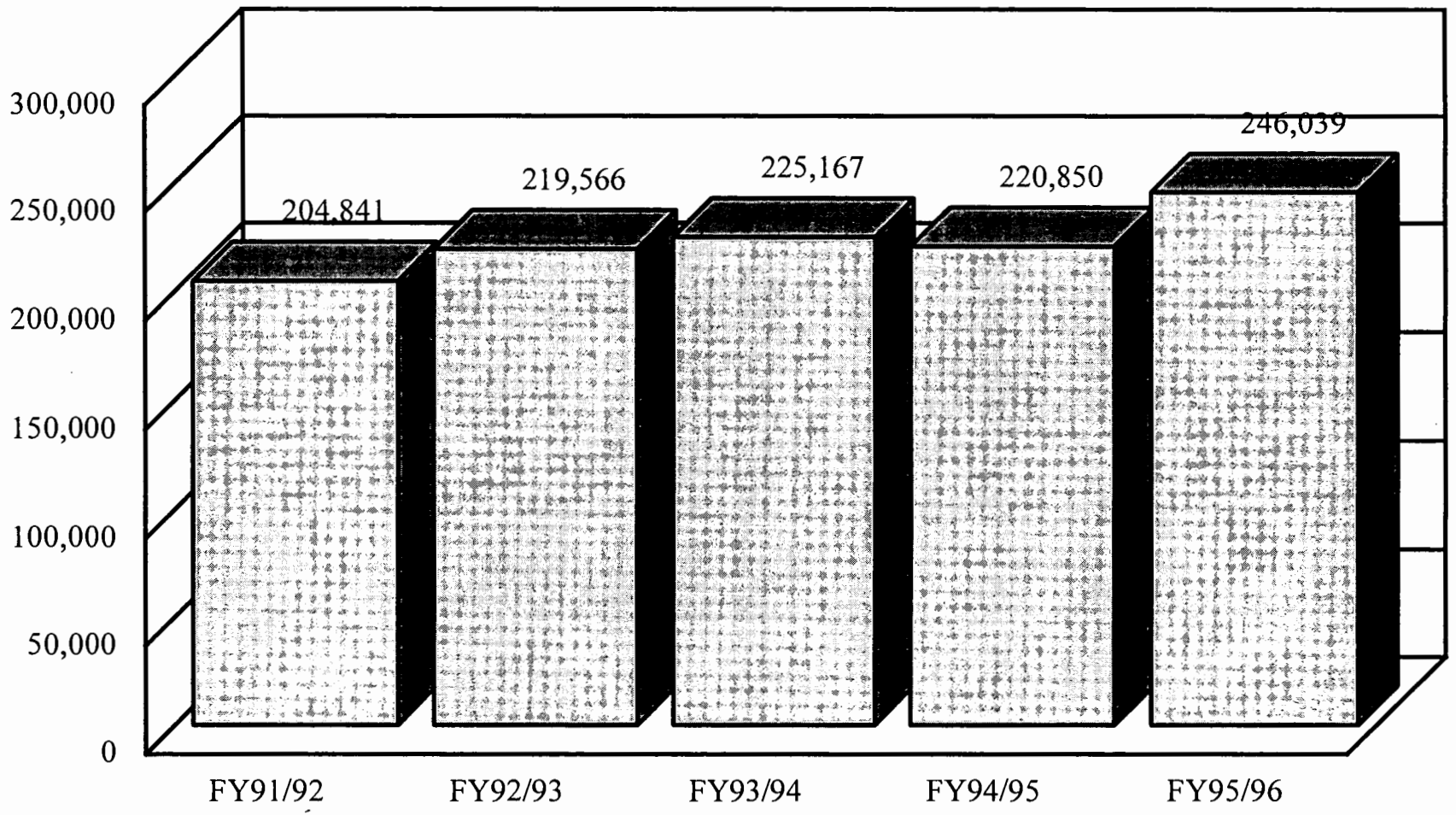
FY95/96 (in millions)



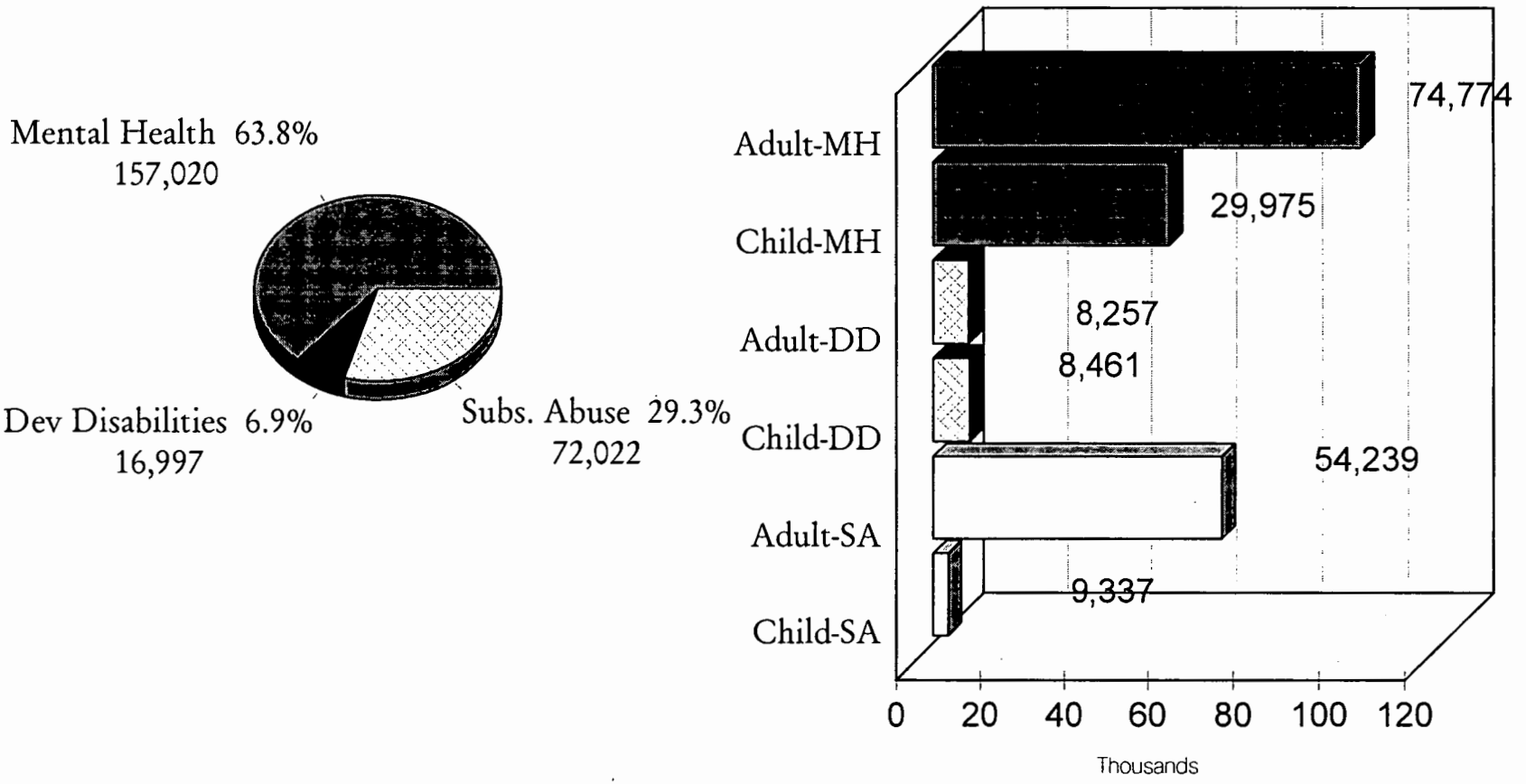
Total: $541.43M (excludes Thomas S & Willie M)

AREA MENTAL HEALTH PROGRAM

TOTAL CLIENTS SERVED
FY91/92 - FY95/96

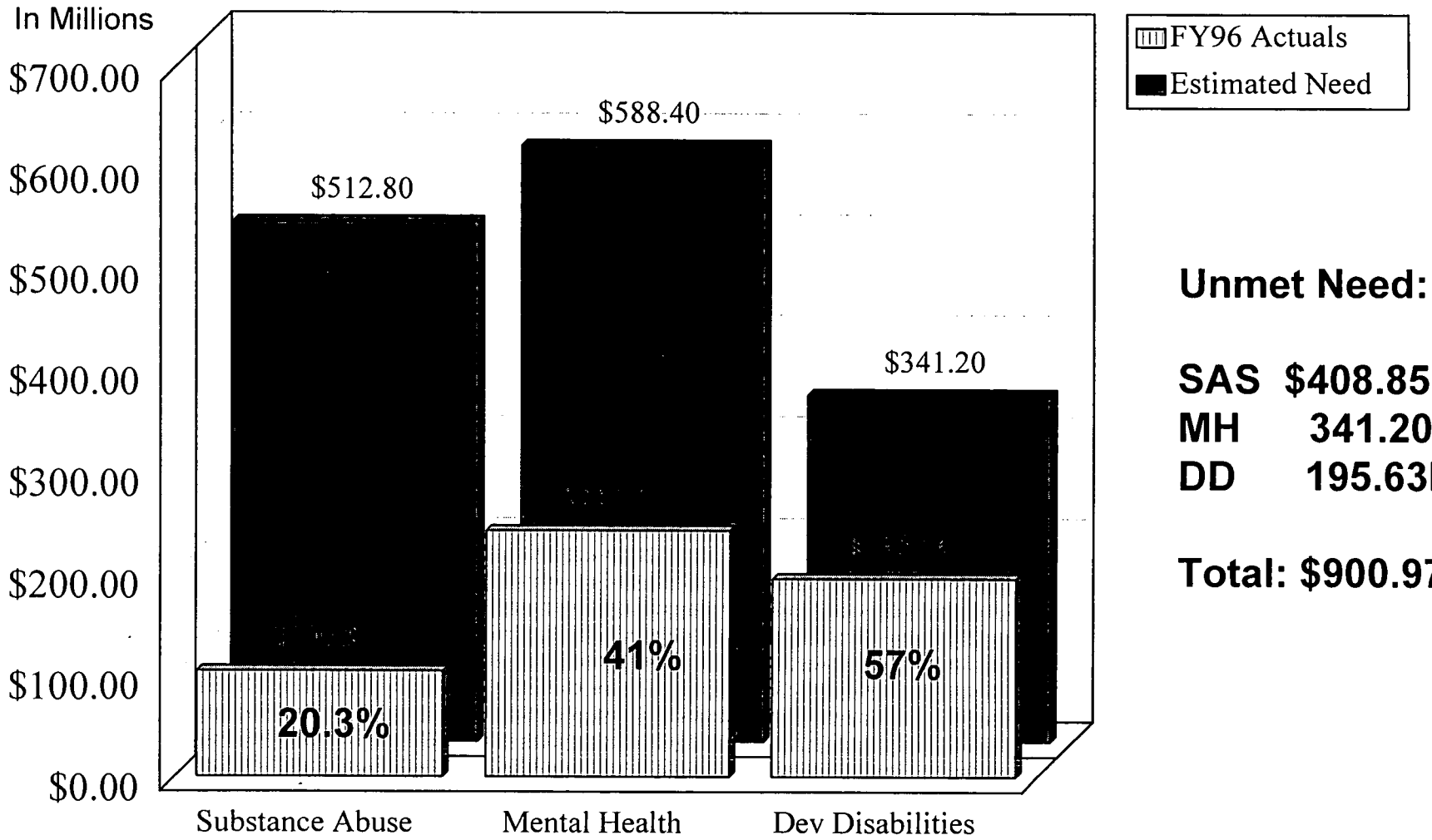


AREA MENTAL HEALTH PROGRAM
Clients Served by Disability and Age
FY95/96



Total Clients Served: 246,039

Estimated Community Based MH/DD/SAS Unmet Need by Disability Versus FY95/96 Funds



Unmet Need:

SAS $408.85M
MH 341.20M
DD 195.63M

Total: $900.97M

Total Estimated Need: $1,442.4M

FRD
2/97

Joint Subcommittee on Human Resources Appropriations

Mental Health, Developmental Disabilities & Substance Abuse Services

Policy/Issues

- Department of Human Resources Role/Authority
  -Division of MH/DD/SAS
  -Substance Abuse State Policy

- Managed Care

- Local Mental Health Delivery System
  -Governance
  -Catchment Area Size & Efficiency/Effectiveness

JOINT APPROPRIATIONS SUBCOMITTEE ON HUMAN RESOURCES
MINUTES
FEBRUARY 27, 1997
AFTERNOON

Representative Charlotte Gardner, Co-Chair, presided at the afternoon meeting of the Joint Appropriations Subcommittee on Human Resources held in Room 424. Three Senators were present and the following Representative were in attendance:

Representative Cansler, Co-Chair
Representative Charlotte Gardner, Co-Chair
Representative Martha Alexander
Representative Edd Nye, Ranking Minority Member
Representative J. W. Hurley
Representative Henry Aldridge
Representative Cindy Watson

Carol Shaw of Fiscal Staff gave an overview of the Division of Facility Services. (See Attachment #1) Regarding Senator Phillip's interest in understanding the need for the Medical Data Base, he was assured the Department would explain when the Special Provision comes before the committee.

Bob Fitzgerald, Deputy Director of Facility Services explained the Certificate of Need (CON) process. Senator Phillips asked Mr. Fitzgerald to provide prospective cost for all areas of operation of a facility. Representative Nye asked for the history of the appeal process for CONs, and the Division will get the statistics on the CON awards overturned. Senator Martin asked about the CON process and whether or not the Division conducts actual cost analysis on the number of units, etc. Is the process impacting on costs, reducing costs or cost shifting? Mr. Fitzgerald said that such comparisons were hard to do but hospitals could be used, not long term care units, and comparisons made with other similar states. Senator Martin suggested a demonstration project with an unit not under CON process to see what happens over a period of time with that unit.

Representative Gardner expressed concern that the Department was not planning to have reductions in positions identified until May, and the committee is under time constraint to have a budget by the 3rd week in March and needs the information. Mr. Marvin Dorman, Chief Budget Officer, said that they were targeting mid-April at the request of the Senate Appropriations Chairs but may not be able to entirely meet goals of the span of control study. Representative Gardner expressed the hope that efforts to flatten mid-management would go forward.

The meeting was adjourned. The next meeting is scheduled for Tuesday, March 4, 1997 at 8:30 a.m.

Respectfully submitted,

Barbara Hocutt

Barbara R. Hocutt
Clerk

APPROVED: Charlotte A. Gardner

Representative Charlotte A. Gardner, Co-Chair

VISITOR REGISTRATION SHEET

afternoon

JOINT APPROPRIATIONS SUBCOMMITTEE ON HUMAN RESOURCES — 2/27/97

Name of Committee — Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK.

NAME	FIRM OR AGENCY AND ADDRESS
Patricia Roeder	NACC
Sharon Hanson	DSS
Bob Bailey	DFS
Bill Warren	DFS
Jessie Goodmon	DFS
Alice Taylor	DFS
Chris Taylor	DFS.
Jim Upchurch	DFS
Steve White	DFS
Tommy Hortz	CHS
Ed Broaden	DHR B&A
John Bowdish	Zeb Alley PA
[illegible]	NCHA
Lou B. Wilson	NCALTCJ.

VISITOR REGISTRATION SHEET

Committee: Joint Appropriations Human Resources Subcommittee Date: Feb 23 1995

VISITORS: Please sign below and return to Committee Clerk.

NAME	FIRM OR STATE AGENCY AND ADDRESS
Marvin Dorman	OSBM

VISITOR REGISTRATION SHEET

afternoon

JOINT APPROPRIATIONS SUBCOMMITTEE ON HUMAN RESOURCES — 2/27/97

Name of Committee — Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK.

NAME	FIRM OR AGENCY AND ADDRESS
[signature]	Boone & Assoc / LTC
Angelique Williams	Boone + Assoc
[signature]	NCAHC
[signature]	NCHCFA
Evelyn Hawthorne	NCHA
Wayne Williamson	OSBM
[signature]	OSBM
Peyton Mayhorn	GP
Gayle Fitzgerald	OSPL
Jim Edgerton	DHR
[signature]	DHR
Joshua Shepard	DHR/DFS
Lynda D. McDaniel	DHR/DFS
Bob Fitzgerald	DHR/DFS
Lee Huffman	DHR/DFS

2/27/97
afternoon

DEPARTMENT OF HUMAN RESOURCES

DIVISION OF FACILITY SERVICES BUDGET OVERVIEW

FISCAL RESEARCH DIVISION
FEBRUARY 1997

DIVISION OF FACILITY SERVICES
1997-99 TOTAL CONTINUATION BUDGET

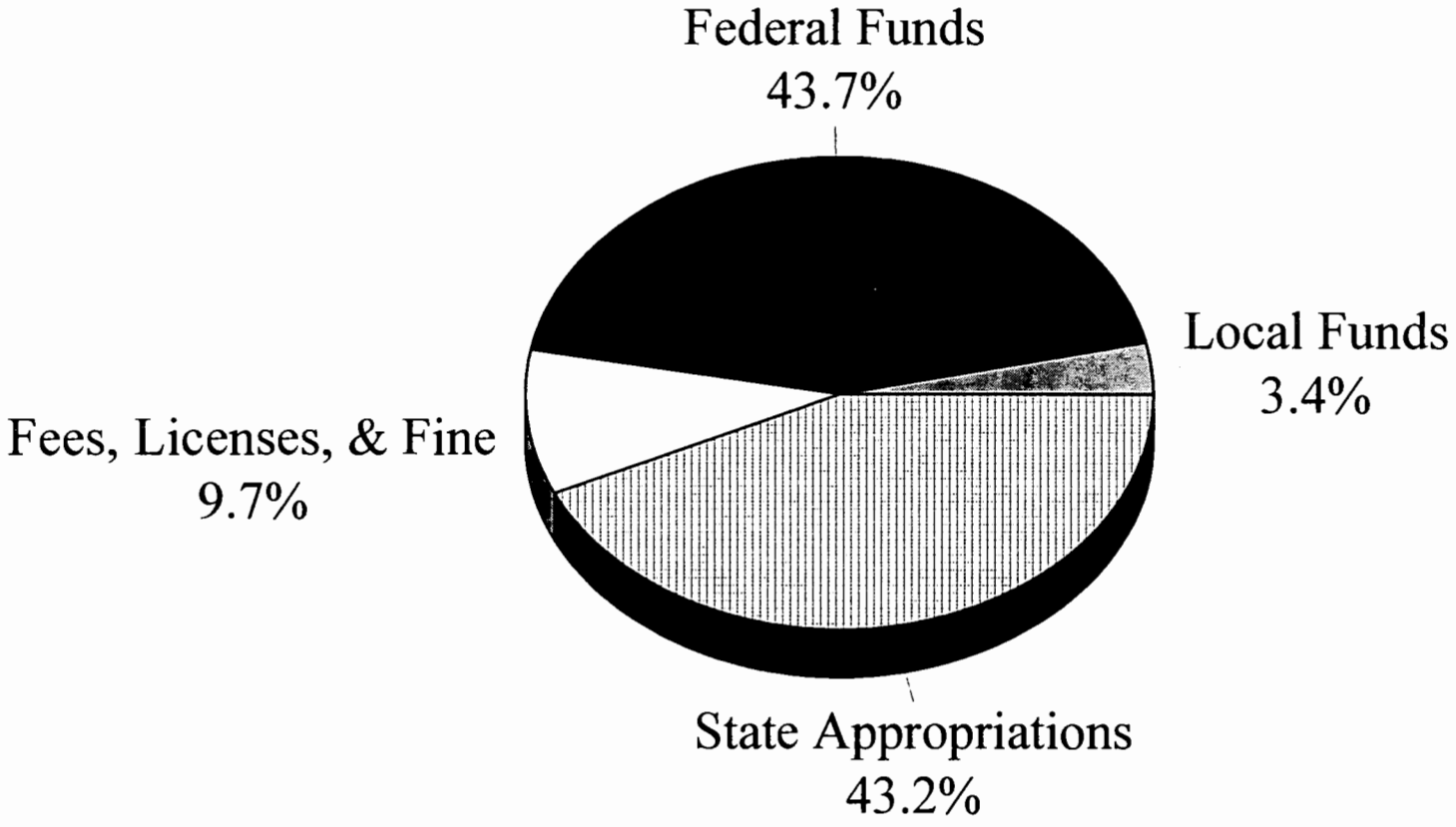
Description	1995-96 Actual	1996-97 Certified	1996-97 Authorized	1997-98 Recommended	1998-99 Recommended
Total Requirements	$18,888,818	$18,391,860	$18,514,008	$17,426,156	$17,536,912
Total Estimated Receipts	($10,728,196)	($8,791,146)	($8,791,146)	($8,687,867)	($8,697,291)
Net Appropriation	**$8,160,622**	**$9,600,714**	**$9,722,862**	**$8,738,289**	**$8,839,621**
Total Number of Positions	312.5	293.5	296.5	296.5	296.5

Reference Documents:

Continuation Budget	Volume 3, Pages R(8)-1 through R(8)-15
Performance/Program Budget	Volume 7A, Pages

DIVISION OF FACILITY SERVICES

SOURCES OF FUNDING

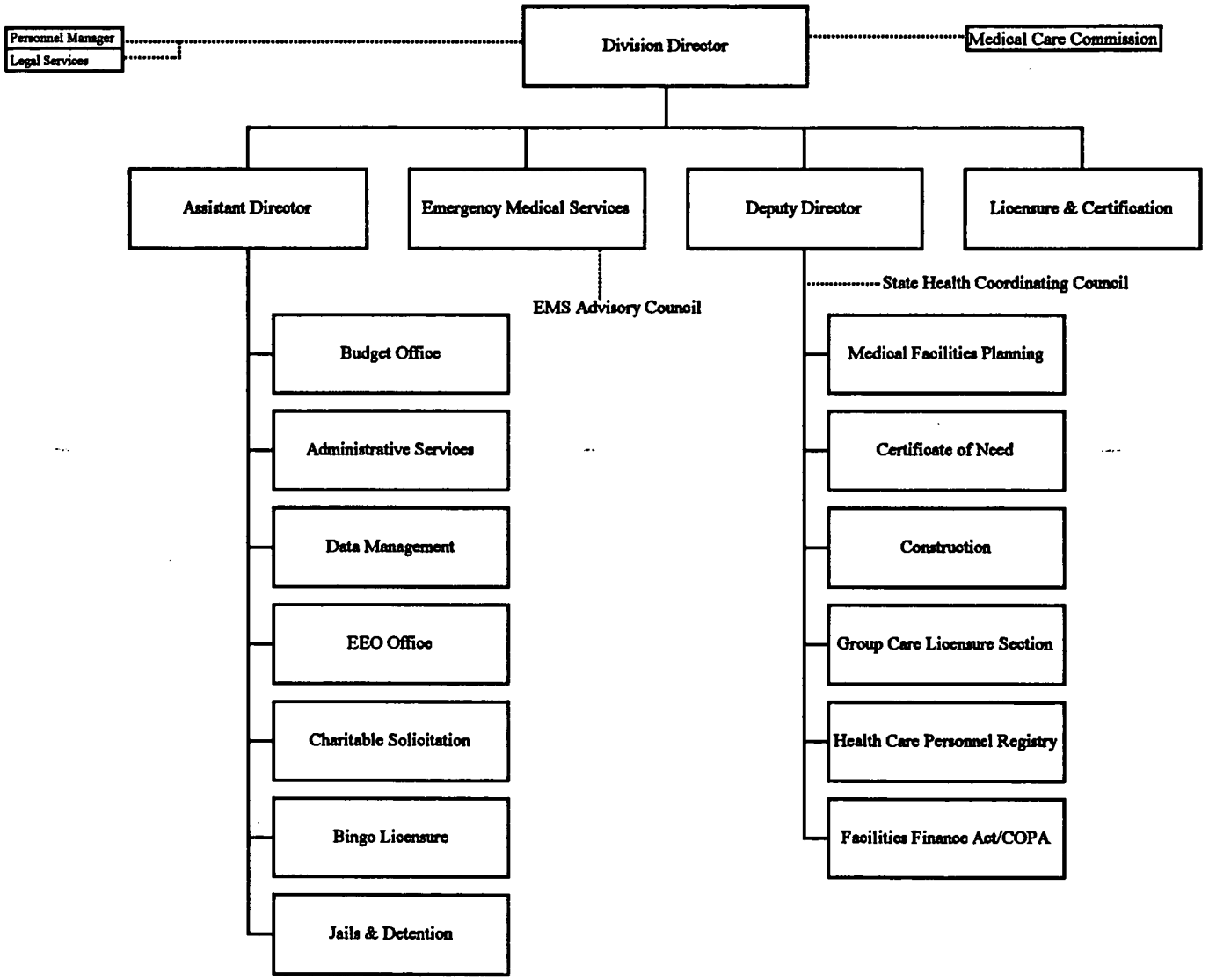


DIVISION OF FACILITY SERVICES

MISSION

- To provide for the health, safety, and well-being of individuals through effective regulatory and remedial activities including appropriate consultation and training opportunities and by improving access to health care delivery systems through the rational allocation of needed facilities and services.

DEPARTMENT OF [redacted]AN RESOURCES
DIVISION OF FACILITY SERVICES



DIVISION OF FACILITY SERVICES

MAJOR PROGRAMS

- **State Medical Planning Section:** Determines the degree of unmet need for health facilities throughout the state.

- **Certificate of Need Section:** Restricts unnecessary increases in health care costs and limits unnecessary services and facilities based on geographic, demographic, and economic considerations.

- **Construction Section:** Reviews plans and specifications, makes inspections, and provides consultation to ensure a safe environment in those facilities wishing to be licensed, certified or receive financial assistance

- **Health Care Personnel Registry Section:** Maintains a registry of nurse aides and other health care personnel and investigates alleged abuse, neglect or misappropriation of resident's property in health care and group care facilities.

DIVISION OF FACILITY SERVICES

MAJOR PROGRAMS

- **Group Care Licensure Section:** Licenses and regulates adult care homes and provides supervision, consultation, training and technical assistance to county department's of social services staff who monitor the compliance status of the facilities.

- **Licensure and Certification Section:** Conducts surveys and complaint investigations in health care facilities. Manages and directs administrative services and quality assurance to ensure compliance with federal regulations for Medicare/Medicaid certification.

- **Emergency Medical Services Sections:** Ensures all citizens have access to quality emergency medical care by providing technical assistance and regulatory oversight to all local EMS systems.

DIVISION OF FACILITY SERVICES

MAJOR PROGRAMS

- **Jail and Detention Section:** Ensures compliance with NC statutes and administrative rules through inspection of all jails in North Carolina.

- **Charitable Solicitation and Bingo Units:** Responsible for regulating charitable solicitations and bingo (except beach bingo) activities.

DIVISION OF FACILITY SERVICES

LEGISLATIVE HIGHLIGHTS

- Eliminate Positions
  - 1995-96 -$ 152,528 (6 positions)
  - 1996-97 -$ 808,164 (25.5 Positions)

- Smoke Detector/Sprinkler Loan Fund
  - 1996-97 $1,000,000

- Health Care Personnel Registry
  - 1996-97 $ 160,000 (From DHR funds)

- Certificate of Need Program
  - Replaced CON fees with appropriations for support of the CON program and deposited fees as a non-tax revenue into the General Fund. The net effect to the General Fund was zero. Effective July 1. 1994.

DIVISION OF FACILITY SERVICES
REGULATED FACILITIES/PROGRAMS

REGULATED FACILITY PROGRAM	NO. OF FACILITIES/PROGRAMS	ACTUAL BEDS/CLIENTS
Nursing Facilities	412	37,476 (+2,277)
Adult Care Homes	1,420	27,546
Mental Health Facilities (Residential)	1,570	7,346
Mental Health Day Programs	570	-
Home Care Agencies	756	210,000 (est.)
Hospitals	147	24,000 (est.)
Ambulatory Surgery Facilities	53	N/A
Hospice	119	15,078
Cardiac Rehabilitation Programs	59	N/A
Abortion Clinics	18	N/A
End-Stage Renal Disease Dialysis	91	N/A
Clinical Labs	4,030	N/A
Community Health Centers	40	N/A
Nursing Pools	235**	N/A
Local Jails	117	12,355 (+4,955*)
EMS Personnel Certification Programs	142	25,447
Ambulances and other EMS Vehicles	2,222	N/A
Charitable Solicitation	1,366	N/A
Bingo	323	N/A
Nurse Aide Registry	N/A	124,194
Rural Health Clinics	126	-
Grand Total	13,816	490,674

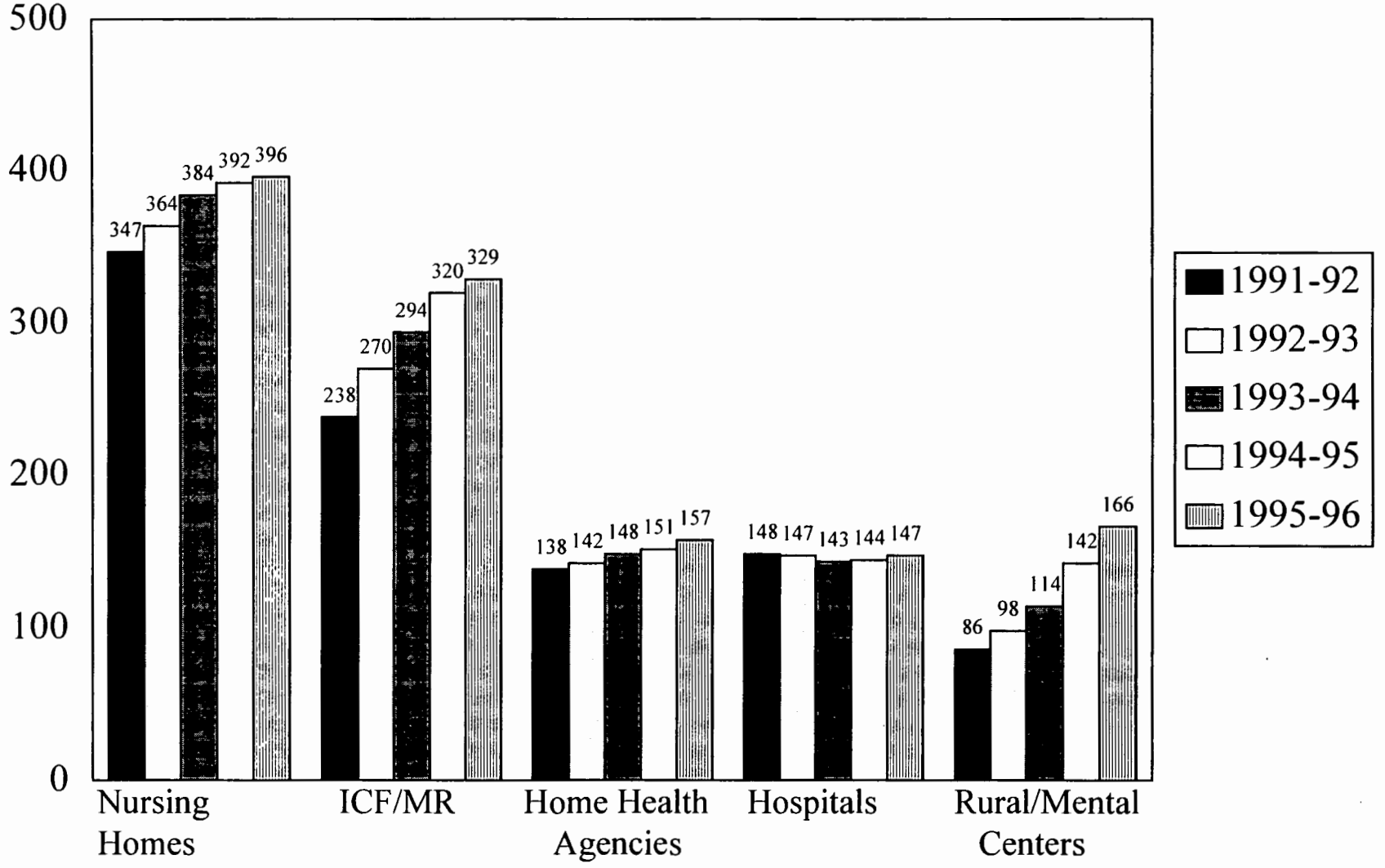
Revised 2/24/97

*Beds Under Construction, not included in Grand Total.

**Includes home care agencies offering nursing pool service.

DIVISION OF FACILITIES SERVICES

MEDICARE/MEDICAID FACILITY WORKLOAD



FISCAL RESEARCH DIVISION 2/97

DIVISION OF FACILITY SERVICES

ISSUES

- Fire Protection Revolving Fund
- Health Care Personnel Registry Funding
- Medical Data Processing Funds
- Salary Reductions/Span of Control Study
- Certificate of Need Program

DIVISION OF FACILITY SERVICES

FIRE PROTECTION REVOLVING LOAN FUND

- Provides assistance to owners of adult care homes, group homes for developmentally disabled adults, and nursing homes with the purchase and installation of fire protection systems in existing and new facilities.
- Established and funded in 1996
- Current funding level $1,000,000 ($10,000,000 was originally requested)
- Maximum loans ranging from $1.75 to $6.00 per square foot
- Interest rates ranging from 3% to 6%
- 57 facilities filed applications totaling $1,592,446
- The Housing Finance Agency and the Division of Facility Services are reviewing applications. Expect to finalize loans by March, 1997.

DIVISION OF FACILITY SERVICES

HEALTH CARE PERSONNEL REGISTRY

- Establishes a Health Care Personnel Registry containing names of all health care personnel working in health care facilities including findings that abuse or neglect of a resident has occurred or the misappropriation of property of a resident has occurred.

- Authorized by Chapter 713 of the 1995 Session Laws (Regular Session, 1996)

- Funded with $160,000 of existing funds appropriated to DHR for 1996-97

- For the 1997-99 Biennium, the Registry has been funded by increasing the General Fund appropriations to DFS by $160,000. In addition, DFS is working to obtain federal approval to cover 50% of the program's cost with Medicaid funding.

DIVISION OF FACILITY SERVICES

MEDICAL DATA PROCESSING FUNDS

- When the Medical Data Base Commission was eliminated, the Division of Facility Services was delegated the responsibility of certifying statewide medical data processors and purchasing medical data from the data processors to be analyzed and processed.

- After funding for the Medical Data Base Commission was eliminated, a special provision transferred $150,000 from the Insurance Regulatory Fund to the Division to cover the cost of the program.

- The special provision transferring funds needs to be continued.

- The Division of Facility Services needs a minimum of $125,000 per year to maintain the program ($75,000 to buy data and $50,000 to analyze and process data)

PERFORMANCE /PROGRAM ANALYSIS

OUTCOME MEASURES

Division of Facility Services

Program Area:	Health and Safety
P/PB Goal #2:	Maintain and improve health care access and treatment
Program:	**Provide appropriate facilities and staff**

Expected Outcome:
The protection of the health, safety and welfare of the patients and residents being served by the health care facilities, agencies and programs that we regulate.

P/PB Objective # 18 (1500.01)
To improve quality of care and services available in hospitals, nursing homes, adult care homes, home care agencies, hospice agencies and local confinement facilities that the Division regulates through the achievement of 95% regulatory compliance of all these providers.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Percentage of services and facilities not experiencing one of the following actions against them during any given year:.						
1. adverse actions against licensees by Licensure or Certification Officials, or	**96.9**	**96.8**	**97.2**	**96**	**96**	**96**
2. civil monetary penalties imposed for past non-compliance or immediate and serious threat to patient health and safety due to non-compliance issues, or	**96.9**	**97.4**	**97.4**	**96**	**96**	**96**
3. their accreditation revoked, or local confinement facilities identified as having conditions that jeopardize the custody, safety. health or welfare of their inmates.	**95**	**97**	**99**	**98**	**98**	**98**

Description of strategies or activities directed toward this objective:

- Identify and disseminate reports on best practices to address areas of regulatory non-compliance. (DFS fund 1311)
- Encourage families, clients, advocates and other interested citizens to contact the Division when facilities are not in compliance to enable the Division to respond quickly to have facilities achieve compliance. (DFS fund 1311)
- Expand and fully implement the complaints telephone hotline. (DFS fund 1311)
- Monitor all existing jail operations and new jail construction projects to ensure compliance with jail construction standards. (DFS fund 1311)
- Implement and enforce new rules adopted by the Social Services Commission pursuant to G.S. 131D-4.3 (Senate Bill 864) for adult care homes which require training for personal care aides, clients assessment and case management. (DFS fund 1311)

Division of Facility Services

Expected Outcome:
Reduce the number of systemic deficient practices in hospitals, nursing homes, adult care homes, home care agencies, hospice agencies and local confinement facilities that the Division regulates.

P/PB Objective # 19 (1500.02)
By 2002, 95% of all hospitals, nursing homes, adult care homes, home care agencies, hospice agencies, and local confinement facilities will have quality assessment programs in place in which the facilities and agencies identify their own systemic problems and correct them without regulatory intervention.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Number of identified facilities and agencies who have quality assessment programs that identify and correct their own deficient practices without regulatory intervention.	**N**	**N**	**N**	**93.0%**	**94.0%**	**94.5%**

Description of strategies or activities directed toward this objective:
- Elicit participation by consumers, advocates, health professionals and providers in establishing priority care areas that commonly lead to systemic deficient practices. (DFS fund 1311)
- Develop modules based on these care areas that facility's quality initiative programs can utilize in preventing and correcting systemic deficient practices. (DFS fund 1311)
- Establish and implement data collection and monitoring systems based on criteria for measuring outcomes. (DFS fund 1311)
- Encourage the development and monitor the implementation of quality assurance procedures in all adult care homes. (DFS fund 1311)
- Encourage preventative maintenance programs, code and licensure compliance, and interaction with local building and fire officials to improve and/or maintain building safety and performance. (DFS fund 1311)

Expected Outcome:
Reduce death, suffering, and disability for North Carolinians who suffer traumatic or medical emergencies outside of medical facilities.

P/PB Objective # 20 (1500.03)
Reduce death from out-of-hospital cardiac arrest by making Automatic External Defibrillators (AED) available in under 5 minutes to 80% of the state's population by the year 2002.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
The percentage of the state's population having access to AED in under 5 minutes.	**N**	**N**	**N**	**65%**	**70%**	**75%**

Description of strategies or activities directed toward this objective:
- Present evidence to the NC Medical Board that rules governing the use of AED should provide for widespread availability of the device while assuring public safety. (DFS fund 1511)
- Give priority for the purchase of AED's for local providers through the EMS System Development Grant Program. (DFS fund 1511).
- Develop rules regarding use of AED to be as non-restricting as possible while protecting public safety. (DFS fund 1511)

Division of Facility Services

Expected Outcome:
Reduce death, suffering, and disability for North Carolinians who suffer traumatic or medical emergencies outside of medical facilities.

P/PB Objective # 21 (1500.04)
By the year 2002, reduce the current rate of 0.634 trauma deaths per 1000.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Mortality rate of trauma per 1,000 population .	**N**	**.0635**	**.0634**	**.0633**	**.0632**	**.0631**

Description of strategies or activities directed toward this objective:
- Develop rules or proposed legislation to codify the process for trauma center designation and to establish a comprehensive statewide trauma system. (DFS fund 1511)
- Develop a reporting system to collect data on trauma deaths and average length of stay for trauma patients. (DFS fund 1511)
- Encourage participation in the rule making process by distributing draft rules and conducting public meetings. (DFS fund 1511)

Expected Outcome:
Ensure that North Carolina citizens and visitors have access to a safe and efficient EMS system which adheres to established North Carolina EMS standards.

P/PB Objective # 22 (1500.05)
Maintain access to basic life support (BLS) care in all 100 North Carolina counties.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Number of counties providing a minimum of basic life support out-of-hospital care.	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Description of strategies or activities directed toward this objective:
- Develop a customer "rules review committee" which meets at least annually to actively seek input from customers. (DFS fund 1511)
- Allow for and encourage public participation in the development of BLS standards for North Carolina EMS providers. (DFS fund 1511)

Expected Outcome:
Ensure that North Carolina citizens and visitors have access to a safe and efficient EMS system which adheres to established North Carolina EMS standards.

P/PB Objective # 23 (1500.06)
Increase by 5% the number of EMS providers functioning at an advanced life support (ALS) level of care by the year 2002.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Annual percentage of out-of-hospital providers functioning at an advanced life support level of care.	**N**	**N**	**N**	**62.7%**	**65.8%**	**69.1%**

Description of strategies or activities directed toward this objective:
- Actively assist providers to successfully expand their level of care to Advanced Life Support. (DFS fund 1511)
- Conduct EMS system evaluations and make recommendations for system enhancement as requested by county government officials. (DFS fund 1511)

Division of Facility Services

Expected Outcome:
To ensure both economic and geographic access to high quality and cost effective health care services, and to promote their efficient utilization.

P/PB Objective # 24 (1500.07)
Monitor and regulate nursing home growth and development in order to assure that there are at least 35 nursing home beds per 1000 population aged 65 and older in 95 of the state's 98 counties that have nursing facility beds and that no more than five counties have more than 60 beds per 1000 population.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Number of counties with 35 or more nursing facility beds per 1000 population over age 65 by county.	**88**	**93**	**93**	**93**	**94**	**94**
Number of counties with more than 60 nursing facility beds per 1000 population over age 65.	**6**	**5**	**5**	**5**	**5**	**5**

Description of strategies or activities directed toward this objective:
- Provide forums and public hearings for participation of the public in the development of the State Medical Facilities Plan and review of Certificate of Need applications to assure services are developed to meet needs. (DFS fund 1711)
- Develop the annual State Medical Facilities Plan. (DFS fund 1711)
- Review Certificate of Need Applications and make decisions to approve or deny them. (DFS fund 1711)
- Adopt review criteria and apply them in the review of Certificate of Need Applications.
- Monitor development of approved projects to assure material compliance with conditions. (DFS fund 1711)

Expected Outcome:
To ensure both economic and geographic access to high quality and cost effective health care services, and to promote their efficient utilization.

P/PB Objective # 25 (1500.08)
Through the year 2000, assure that the statewide average utilization rates do not drop below 60 percent for open heart surgery programs or 70 percent for fixed cardiac catherization services as a result of need determinations in the State Medical Facilities Plan (SMFP) or Certificates of Need (CON's) issued for additional services.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Annual Utilization Rates of open heart-surgery programs. (Data covers fiscal year October 1 through September 30.)	**58.0%**	**62.6%**	**NA**	**63.0%**	**63.5%**	**63.5%**
Annual Utilization Rates of fixed cardiac catheterization programs. (Data covers fiscal year October 1 through September 30.)	**71.0%**	**74.0%**	**NA**	**74.5%**	**74.5%**	**74.5%**

Description of strategies or activities directed toward this objective:
- Provide forums and public hearings for participation of the public in the development of the State Medical Facilities Plan and review of Certificate of Need applications to assure services are developed to meet needs. (DFS fund 1711)
- Develop the annual State Medical Facilities Plan. (DFS fund 1711)
- Review Certificate of Need Applications and make decisions to approve or deny them. (DFS fund 1711)
- Adopt review criteria and apply them in the review of Certificate of Need Applications. (DFS fund 1711)
- Monitor development of approved projects to assure material compliance with conditions. (DFS fund 1711)

Division of Facility Services

Expected Outcome:
To ensure both economic and geographic access to high quality and cost effective health care services, and to promote their efficient utilization.

P/PB Objective # 26 (1500.09)
Assure that the statewide average utilization rate through the year 2000 is at least 92% for nursing facility beds and is at least 95% for intermediate care facilities for the mentally retarded (ICF-MR's).

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Annual utilization rates for nursing facility beds. (Data covers fiscal year October 1 through September 30.)	**94.7%**	**94.7%**	**Not available**	**94.0%**	**94.0%**	**94.0%**
Annual utilization rates for ICF-MR beds. (Data covers fiscal year October 1 through September 30.)	**95.5%**	**98.9%**	**Not available**	**98.0%**	**98.0%**	**98.0%**

Description of strategies or activities directed toward this objective:
- Provide forums and public hearings for participation of the public in the development of the State Medical Facilities Plan and review of Certificate of Need applications to assure services are developed to meet needs. (DFS fund 1711)
- Develop the annual State Medical Facilities Plan. (DFS fund 1711)
- Review Certificate of Need Applications and make decisions to approve or deny them. (DFS fund 1711)
- Adopt review criteria and apply them in the review of Certificate of Need Applications. (DFS fund 1711)
- Monitor development of approved projects to assure material compliance with conditions. (DFS fund 1711)

Division of Facility Services

Expected Outcome:
To achieve the Division's outcomes and program objectives and offer non-profit and publicly owned health care facilities an economic alternative for capital financing.

P/PB Objective # 27 (1500.10)
Provide savings of approximately $35 million in annual debt service payments of health care facilities.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Annual debt service savings of health care facilities borrowing through the Medical Care Commission based on outstanding debt for the year in millions.	**$36.6**	**$35.7**	**$36.3**	**$37.0**	**$37.5**	**$38.0**

Description of strategies or activities directed toward this objective:
- Review Applications for financing through the Health Facilities Finance Act (DFS fund 1111)
- Issue tax-exempt bonds for projects approved by the Medical Care Commission (DFS fund 1111)
- Conduct financial and operational reviews of bond financed projects to assure fiscal integrity and compliance with Medical Care Commission guidelines. (DFS fund 1111)

HOUSE APPROPRIATIONS SUBCOMMITTEE FOR HUMAN RESOURCES

Minutes
March 5, 1997
8:30 AM, Room 424

The North Carolina General Assembly House Appropriations Subcommittee on Human Resources met jointly with the Senate Appropriations Subcommittee on Wednesday, March 5, 1997, at 8:30 A.M. in room 424 of the Legislative Office Building.

House Co-Chairperson Representative, Debbie Clary presided. Other House members present were:

Representative Charlotte Gardner, Co-Chairperson
Representative Lanier Cansler, Co-Chairperson
Representative Alma Adams
Representative Martha Alexander
Representative J.W. Hurley
Representative Edd Nye, Ranking Minority Member
Representative Cindy Watson

Representative M.W. Henry Aldridge had an excused absence. All Senate members were present.

Representative Clary called the meeting to order at 8:30. Pages were introduced and Karen Hammonds-Blanks from Fiscal Research was asked to present the 1997-99 Program and Budget Overview for the Division of Mental Health, Development Disabilities and Substance Abuse Services concerning the Thomas S Services Section and Crisis Services Section.

Karen Hammonds-Blank presented the material and provided various handouts to the members' (attached) to explain the purpose of the Thomas S Services Section which directs the administrative and programmatic activities in response to the Thomas S versus Hunt et.al., class action lawsuit. She gave an oversight in planning, fiscal management, and programmatic consultation activities in institutional settings and the 41 area mental health programs which provide services.

The Representatives and Senators contributed to the overview with questions concerning cost of services, clarification of what separates Thomas S group from others being admitted, severity of disabilities, explanation of budget figures and sources, number of adults or children who receive services from both the Thomas S and the Willie M,

incidences of harm to staff, and differences in cost due to different settings whether it is a home setting or institutional setting.

The Committee received comments and answers to the Members' questions from John Bagett, Deputy Director of Mental Health, Developmental Disabilities and Substance Abuse Services, and Susan White, Chief of Thomas S Services.

Nearing the time for adjournment and reaching a convenient stopping point in the overview, Ms. Hammonds-Blank suggested that the presentation be continued in the afternoon meeting.

Representative Clary announced that the Committee would meet in the afternoon of this date fifteen minutes after the adjournment of the later House and Senate Sessions.

The meeting was adjourned at 9:50 A.M.

Respectfully submitted,

Debbie Clary

Presiding Co-Chairperson - Representative Debbie Clary

Mary Jamison

Mary Jamison, Clerk

Attachment I	Agenda
Attachment II	Division of MH/DD/SAS Thomas S Services Section
Attachment III	Executive Summary for the Willie M Fiscal Year Ending June 30, 1996
Attachment IV	Willie M versus James B Hunt, Jr. Order for the United States District Court for the Western District of North Carolina, Charlotte Division
Attachment V	Division of MH/DD/SAS Crisis Services Section
Attachment VI	Visitor Registration

HOUSE APPROPRIATIONS SUBCOMMITTEE FOR HUMAN RESOURCES

Minutes
March 5, 1997
Afternoon Session, AM, Room 424

The North Carolina General Assembly House Appropriations Subcommittee on Human Resources met jointly with the Senate Appropriations Subcommittee on Wednesday, March 5, 1997, at 4:00 P.M. in room 424 of the Legislative Office Building.

House Co-Chairperson Representative Debbie Clary presided. Other House members present were:

Representative Charlotte Gardner, Co-Chairperson
Representative Lanier Cansler, Co-Chairperson
Representative Martha Alexander
Representative J.W. Hurley
Representative Edd Nye, Ranking Minority Member
Representative Cindy Watson
Representative Theresa Esposito, Appropriation Co-Chair

Representative M.W. Henry Aldridge had an excused absence. All Senate members were present.

Representative Clary called the meeting to order at 4:05. Karen Hammonds-Blanks from Fiscal Research continued with her presentation of the 1997-99 Program and Budget Overview for the Division of Mental Health, Development Disabilities and Substance Abuse Services concerning the Thomas S Services Section and Crisis Services Section.

The Representatives and Senators contributed to the overview with question concerning reduction in cost of services, restructure of services, and position as far as the plaintiff is concerned.

The Committee received comments and answers to the Members' questions from John Bagett, Deputy Director of Mental Health, Developmental Disabilities and Substance Abuse Services, Bob Hargett from the Attorney Generals Office, Jim Edgerton, Assistant Secretary for Budget and Management from the Human Resource Department, Philip Hoffman, Budget Officer from Mental Health, Developmental Disabilities and Substance Abuse Services, and Roger Mays, Plaintiff Attorney.

Karen Hammonds-Blank finished her presentation to the Committee. Representative Clary announced that the Committee would convene Thursday morning at 8:30 AM.

The meeting was adjourned at 5:08 P.M.

Respectfully submitted,

Debbie Clary

Presiding Co-Chairperson - Representative Debbie Clary

Mary Jamison

Mary Jamison, Clerk

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Attachment VI	Visitor Registration

Attachment 1

AGENDA

Joint Subcommittee on Human Resources Appropriations

Legislative Office Building - Room 424
Tuesday - March 4, 1997
8:30 a.m.

Division of Mental Health, Developmental Disabilities, Substance Abuse Services *(continued)*

- Crisis Services
- Willie M Services
- Developmental Disabilities Services

Attachment 2

Division of MH/DD/SAS

Thomas S Services Section

1997-99 Program & Budget Overview

Fiscal Research Division

March 5, 1997

Thomas S Services Section

Purpose:

The Thomas S Services Section directs the administrative and programmatic activities in response to the Thomas S versus Hunt et. al., class action lawsuit. This Section provides oversight in planning, fiscal management, and programmatic consultation activities in institutional settings and the 41 area mental health programs which provide services.

Chronology:

- 1982 - Lawsuit Originated
- 1988 - U.S. District Court Ruled the State Had Violated the Constitutional Rights of the Plaintiff Class
- 1990 - (May) U.S. Court of Appeals Affirmed Lower Court Ruling
- 1990 - (October) U.S. Supreme Court Denied Request to Hear Case
- 1991 - Special Master Appointed
- 1994 - Focus Class Agreement Approved by District Court
- 1995 - Petition Filed for Relief from Court

Thomas S. Services Section

Thomas S Class Members Demographics/Various Information

> 1,245 Confirmed Class Members (1/31/97)

> 64% Male Class Members

> Average Gross Cost $100,000 Per Class Member (FY95/96)

> 56% Cost Less than $50,000/year & 5.3% > $150,000/year

> 61 Confirmed Class Members Remain in State Psychiatric Hospitals

> Class Members Typically Exhibit Multiple Disabilities
-mental illness, mental retardation and substance abuse

> Largest Group in Class are Geriatric

> Second Largest Subgroup Range 30 - 50 Years Old with Mental Illness

> 81% of Members are Mild-to-Moderately Mentally Retarded

19% live w/ families
large portion live in group homes

Division of Mental Health, Developmental Disabilities and Substance Abuse Services

Program Area:	Health
P/PB Goal # II:	Maintain and improve health care access and treatment
Program:	Maintain and improve health treatment services
Subprogram:	Provide developmental disability services - institutional and community-based
Element:	**Thomas S.**

Expected Outcome:
Thomas S. class members will receive services pursuant to the court order.

P/PB Objective # 15 (1442.01):
Sixty percent (60%) of the Thomas S. class members will receive appropriate services in community settings pursuant to the requirements of the court order.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Percent of the Thomas S. class members receiving appropriate services as measured by the Thomas S. Service Appropriateness Rate.	N	N	N	N	N	N

Description of strategies or activities directed toward this objective:

- Establish services and supports appropriate to the needs and preferences of class members. (DMHDDSAS fund 1315)
- Monitor services and supports implemented via approved service plans. (DMHDDSAS fund 1315)
- Train public and private providers, Area Program staff, class members and their families, and policy makers on the requirements of the Thomas S. court order, the delivery of appropriate services and supports, monitoring procedures and expected outcomes. (DMHDDSAS fund 1315)
- Support the infrastructure of the service delivery system through technical assistance, provider recruitment, and resource development to ensure the availability of appropriate services in community settings pursuant to the requirements of the court order. (DMHDDSAS fund 1315)
- Implement the Thomas S. Comprehensive Plan as approved by the court. (DMHDDSAS fund 1315)
- Report to the court and respond to court directives. (DMHDDSAS fund 1315)

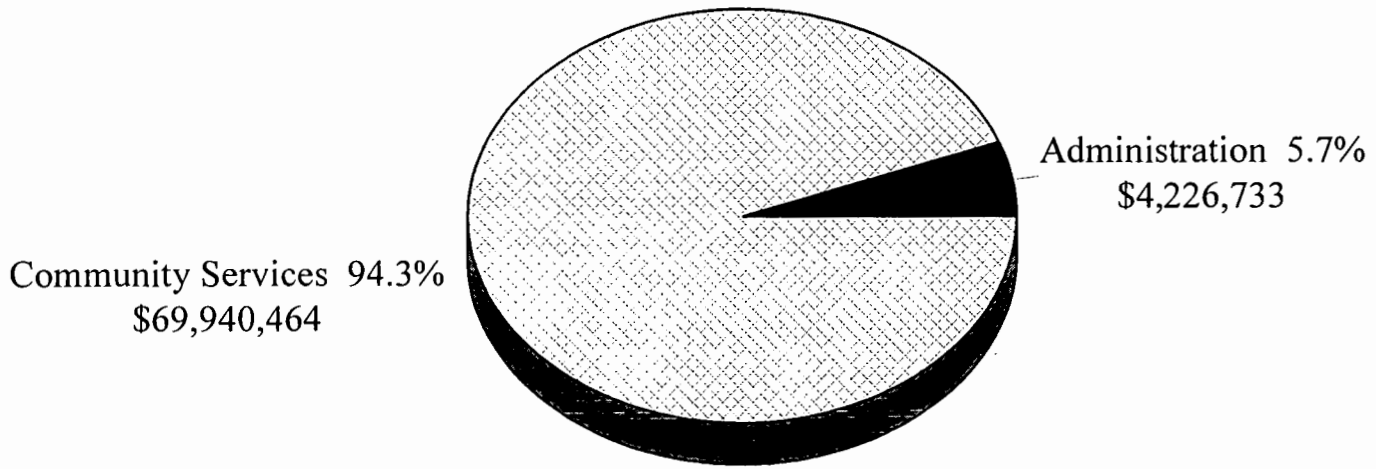
Innovations:

- Implementation of the UCR-TS Revisions to unbundle service and supports to class members.
- Development and dissemination of a request for applications to seek innovative and creative proposals for meeting the objectives of the Thomas S. Comprehensive Plan. Projects will create additional community capacity for supporting class members and will demonstrate the utilization of existing generic resources to support the needs and preferences of class members cost efficiently.

Thomas S Services Section

Budget Summary	FY95/96 Actual	FY96/97 Certified	FY96/97 Authorized	FY97/98 Rec'd.	FY98/99 Rec'd.
Requirements	$58,940,537	$61,119,286	$74,167,197	$89,162,778	$102,349,102
Revenues	$16,155,492	$1,232,396	$12,800,000	$1,260,792	$1,260,792
Appropriations	$42,785,045	$59,886,890	$59,886,872	$87,901,986	$101,088,310
Positions	39.6	36.6	36.6	36.0	36.0

FY96/97 Authorized Budget by Purpose



FY96/97 Requirements: $74,167,197

Thomas S Services

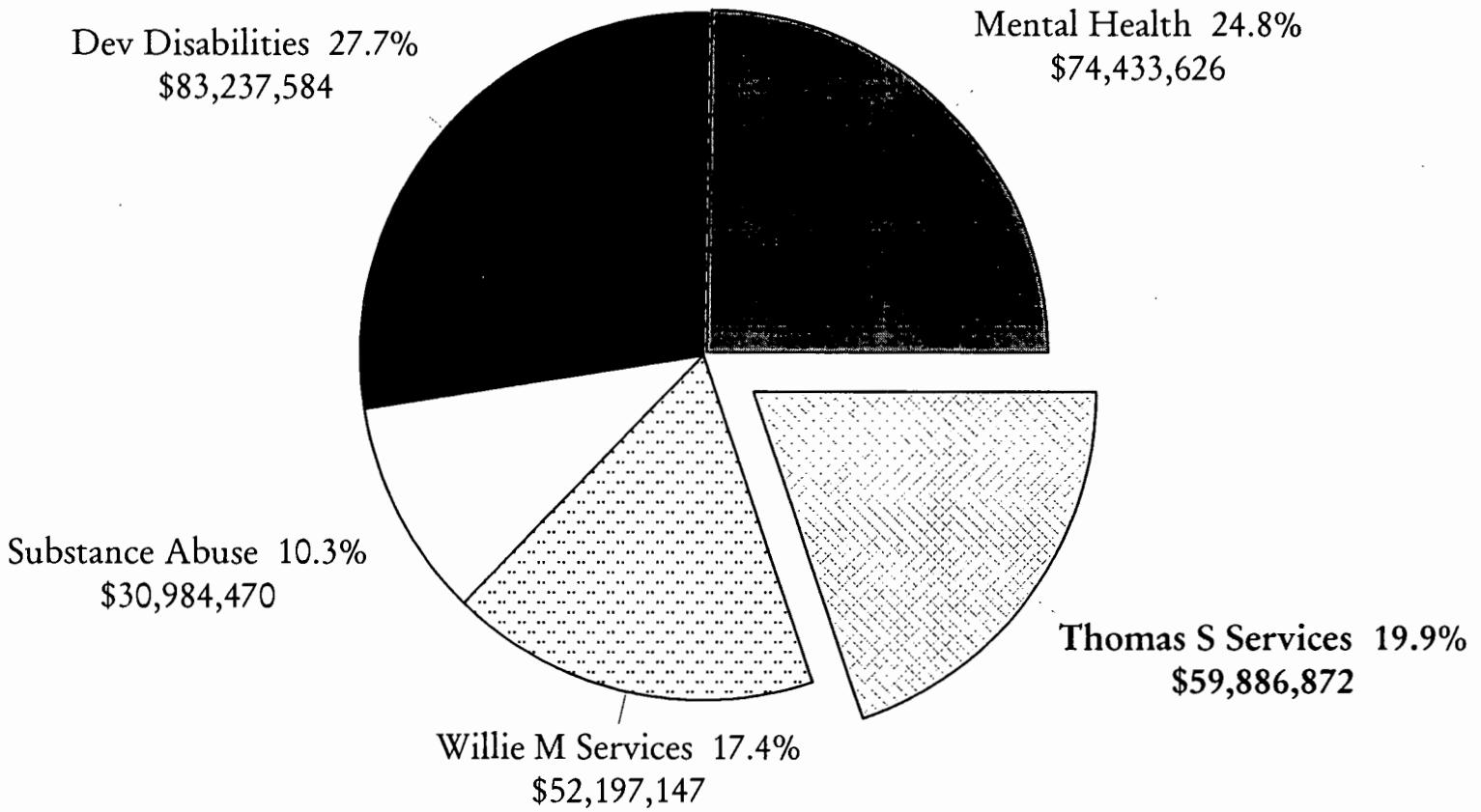
1997-99 Governor's Recommended Continuation Budget

	FY97/98	FY98/99
Increase Community Services Funding	$28,022,962 [1]	$13,182,750 [2]

[1] $12.8M replace one-time funds in FY96/97 budget
$15.2M annualize placement costs for 230 new members placed into service 6/30/97 & place 225 new members into service by 6/30/98

[2] $13M annualize costs for 225 new members placed into service FY97/98 & place 170 by 6/30/99

Community Based Services Funding by Disability
FY1996-97

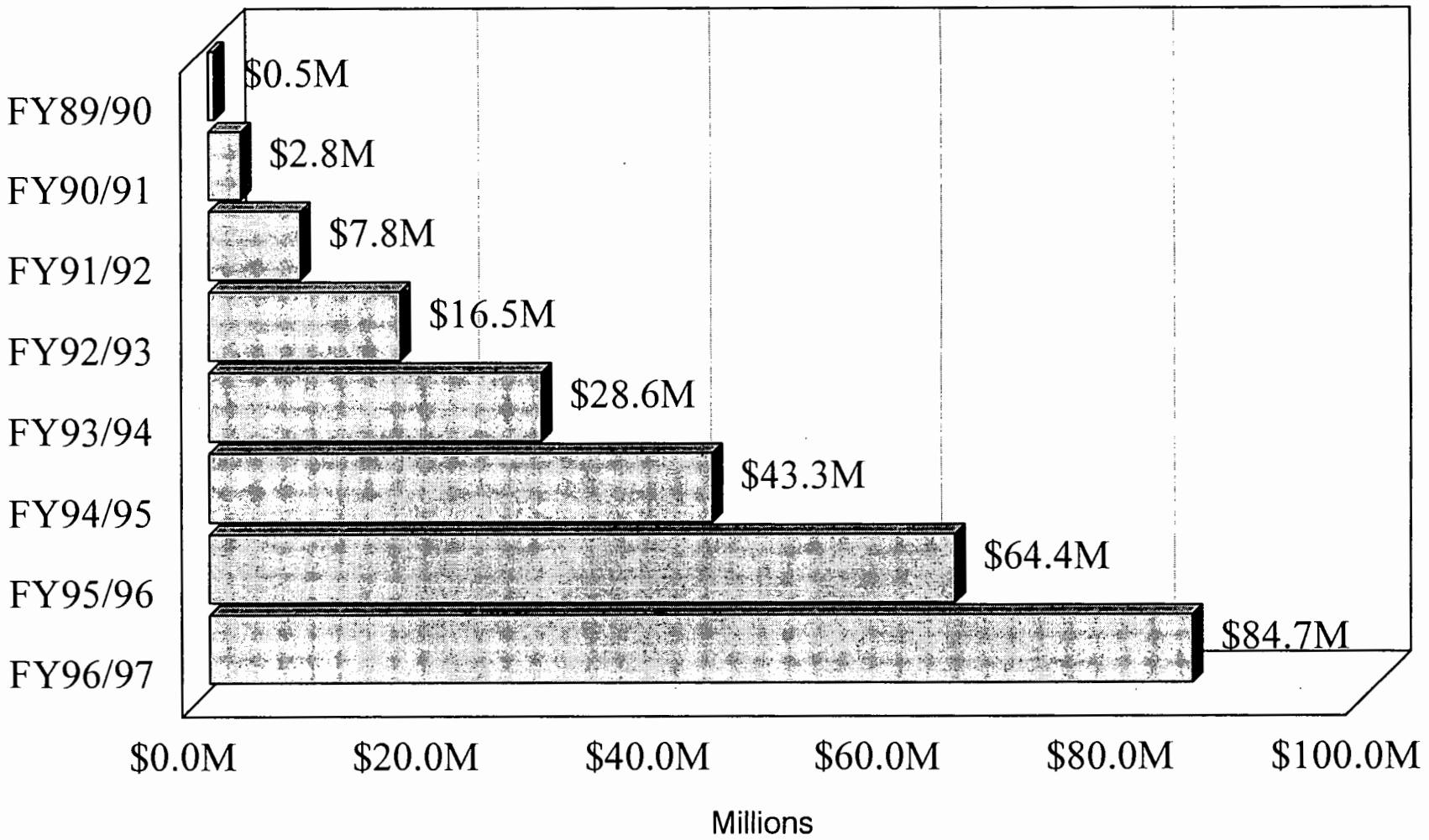


FRD
3/97

Total State Funds: $300,739,699

Thomas S. Services

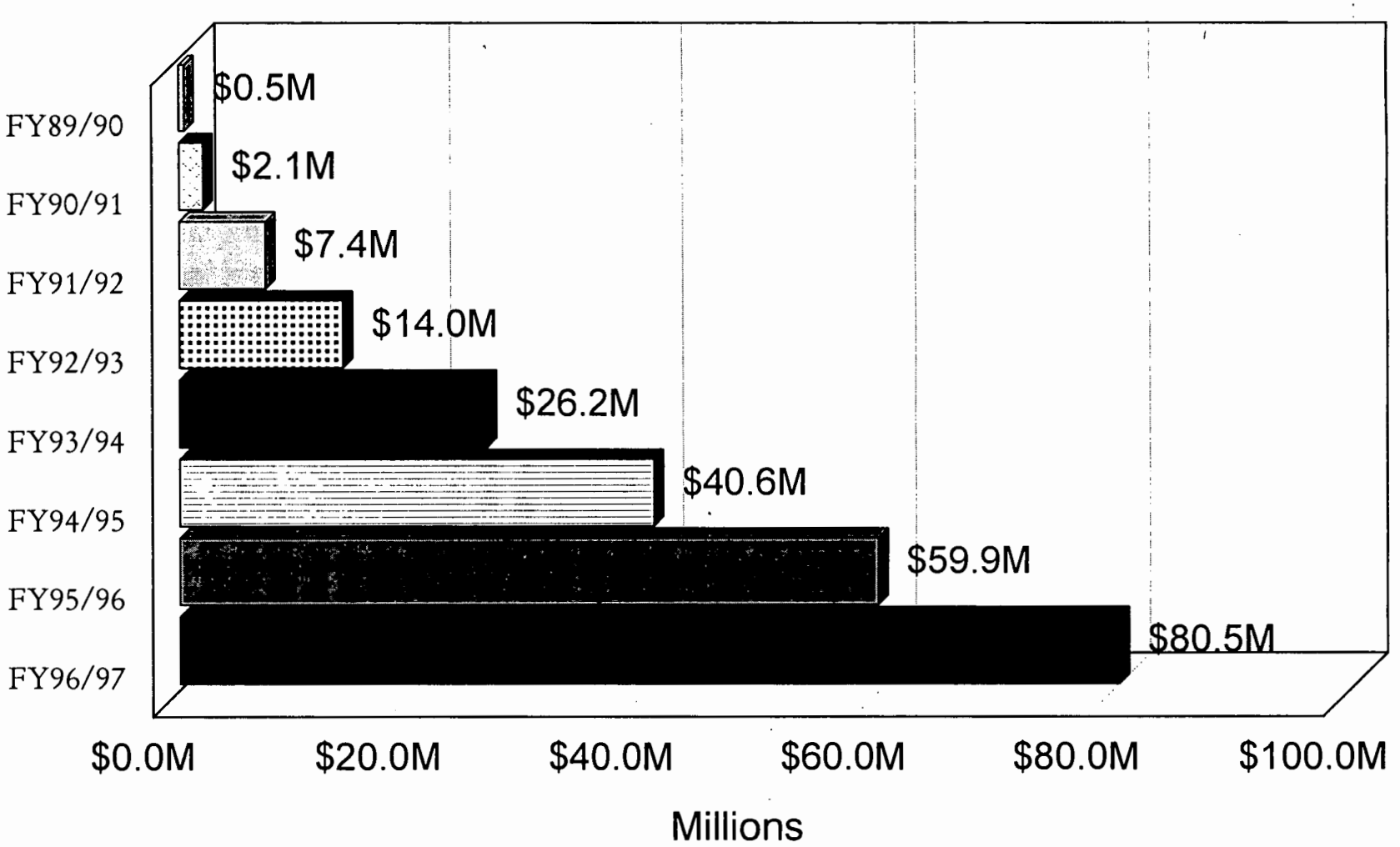
History of Total Funds (FY89/90 - FY96/97)



(Total includes actual State appropriations & estimated local revenues {e.g. Medicaid})

HISTORY OF THOMAS S FUNDING

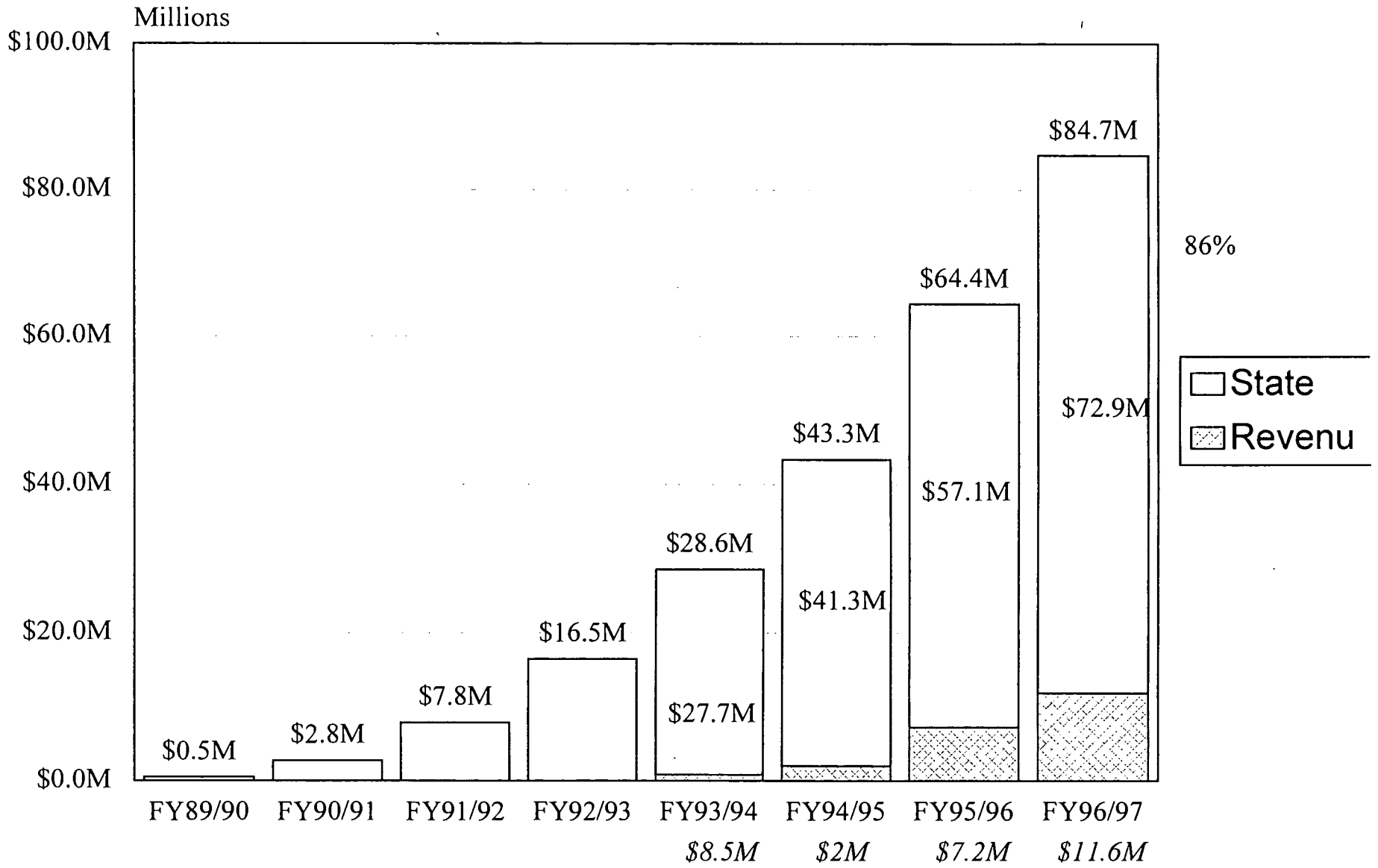
FY1989/90 - FY1996/97



(Community Service Funds Only - All Sources)

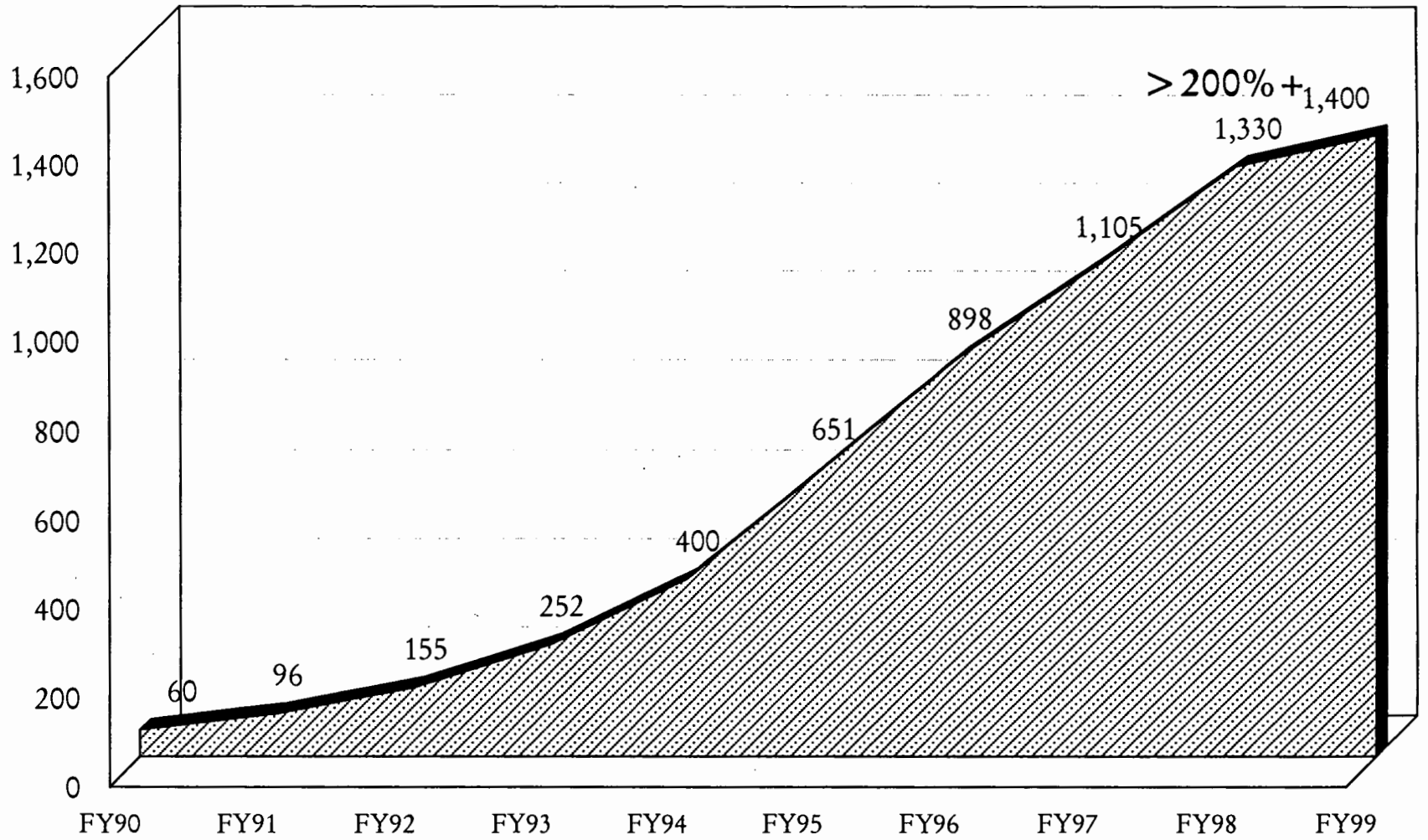
Thomas S. Services

Total Funding by Source



FRD
3/97

THOMAS S SERVICES
Trends in Members Served



FRD
3/97

Note:
FY99 projected members Served

THOMAS S SERVICES

AVERAGE GROSS & STATE COST PER CLASS MEMBER

Fiscal Year	Class Members	Gross Cost/Member	State Cost/Member
FY94	400	$93,317	$91,662
FY95	651	$90,009	$87,038
FY96	898	$86,744	$78,381
FY97	1105*	$87,032**	$75,287***

Note: *Number based on Court Time Table for Services
**Estimated Costs
***Based on Budgeted Costs & Projected Local Revenues

Legal Fees Paid by Thomas S. Services Section

FY90/91 - FY96/97

Fiscal Year	Plaintiff's Attny	Attny Gen's Office	Special Master	Totals
1990-91	$591,311	$0	$25,896	$617,207
1991-92	$157,978	$0	$167,194	$325,172
1992-93	$129,732	$63,772	$274,875	$468,379
1993-94	$84,200	$120,492	$243,168	$447,860
1994-95	$252,579	$124,314	$249,142	$626,035
1995-96	$1,015,473	$162,664	$306,008	$1,484,145
1996-97*	$125,257	$67,800	$213,825	$406,882

FRD
3/97

(*FY96/97 Year-to-Date Funds Paid)

Thomas S Services

Motion for Relief From Court Oversight

> December 21, 1995 Motion Filed <

1) Seeking total relief from court oversight

2) Seeking termination of Office of Special Master

3) Seeking termination of Special Master/Plaintiff's Attorney Monitoring Function

> August 7, 1996 Hearing Before U.S. District Court <

Thomas S Services Section

Cost Containment or Cost Shifting?

Thomas S Services

Cost Containment Strategies

- Focus Class Agreement (January 1994)
- Unit Cost Reimbursement Implemented
- Medicaid Maximization Efforts
- CAP-MR/DD Expansion
- Thomas S Screening Teams at State Hospitals
- Increased Clinical/Management Review of Budgets

Thomas S Services

Factors Impacting Cost Containment

- Area Mental Health Programs
  -risk management/liability issues
  -"fear factor"

- Court Oversight - Special Master
  -Court-Ordered Timetable

- Growth in the Class & Service Needs
  -Remaining Members in Psychiatric Hospitals & other placements
  -Expensive Staffing/ 24-Hours
  -Escalating Costs of Services

Thomas S Services

Factors Supporting Cost Containment

- Thomas S Diversion Law (Senate Bill 859)
  -effective January 1, 1997
  -prohibits the admission of persons with MR to state psychiatric facilities with limited exceptions

- Thomas S Screening Teams

- Philosophical Shift

Thomas S Services Section

Policy Issues

- Budgeting Practices
  -Is it continuation or expansion?

- Strategies for Cost Containment
  -special provision directing State to contain costs
  -develop incentives for Area Programs to provides services more efficiently

Where Are Thomas S Prospective/Confirmed Members?

Living Arrangements	Number of Prospective/Confirmed Members	Percent
Private	230	9
Living With Family	448	19
Semi-Independent	212	9
DDA Group Home	333	14
ICF/MR Group Home	217	9
MR/BD Group Home	36	1.5
MH Group Home	38	1.6
Adult Care Homes	223	9.5
Family Care Home	165	7
Alt. Family Living	57	2.5
Nursing Facility	40	2
State Psych Hospital	57	2.5
Other Inpatient Hospital	28	5
MR Center	107	5
Correctional Facility	20	1
Other Living Arrangement	55	2.4
Total	2316	100

Attachment 3

EXECUTIVE SUMMARY

The "Willie M." reports for the fiscal year ending June 30, 1996, reflect expenditures for the entire fiscal year by zones and by types of services. During the school year 1995-96, a total of $4,569,222.22 was expended to serve "Willie M." students. The legends for these reports are printed on the reverse side of each report.

Prepared by:

Division of School Business
Reporting and Auditing Section
January 31, 1997

NORTH CAROLINA DEPARTMENT OF PUBLIC INSTRUCTION

WILLIE M. EXPENDITURE REPORT

SUMMARY BY ZONES

PERIOD FROM JULY 1, 1995 THRU JUNE 30, 1996

Summary – All LEAs Expenditure Type		ZONE 1	ZONE 2	ZONE 3	ZONE 4	ZONE 5	ZONE 6	ZONE 7	ZONE 8	ZONE 9	ZONE 10	ZONE 11	ZONE 12	ZONE 13	ZONE 14	ZONE 15	ZONE 16	ZONES TOTAL
121	Salary - Teacher	0.00	86,696.67	43,368.64	61,390.99	57,616.85	84,405.00	139,055.51	47,969.19	12,831.58	33,186.80	134,454.25	39,752.12	90,152.19	89,364.29	39,034.95	0.00	$959,279.03
139	Salary - Other Prof Assign	0.00	34,884.36	0.00	35,608.25	0.00	68,295.00	52,445.53	25,308.00	38,165.16	12,978.90	0.00	13,918.46	22,731.10	0.00	0.00	0.00	304,334.76
142	Salary - Teacher Asst	36,779.58	73,803.64	72,064.79	128,121.13	118,886.43	125,782.43	239,441.65	131,047.47	103,875.22	90,865.30	259,159.39	19,755.90	72,060.33	54,530.14	55,677.71	70,580.17	1,652,431.28
143	Salary - Tutor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,922.84	600.00	0.00	3,518.70	0.00	0.00	0.00	0.00	0.00	8,041.54
149	Salary - Occup Therapist	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11,235.00	0.00	0.00	11,235.00
180	Overtime Pay	0.00	436.38	0.00	1,771.50	0.00	190.42	490.54	49.15	0.00	0.00	9,459.83	664.57	0.00	392.14	766.05	0.00	14,220.58
182	Sub Pay - Certified	0.00	0.00	456.00	0.00	0.00	0.00	0.00	399.00	0.00	0.00	28.50	0.00	385.00	142.50	91.20	57.00	1,559.20
184	Sub Pay - Compl ETT	0.00	550.00	500.00	150.00	0.00	263.41	90.16	7,650.00	10.00	2,700.00	250.00	3,100.00	150.00	550.00	440.00	2,556.00	18,959.57
185	Sub Pay - NonCertified	0.00	160.00	205.00	80.00	0.00	0.00	338.88	160.00	120.00	0.00	140.00	0.00	1,700.00	240.00	0.00	120.00	3,263.88
186	Salary - Workshop	0.00	(60.00)	0.00	0.00	0.00	0.00	3,628.96	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,568.96
191	Teach Asst - Sub Suppl	0.00	0.00	15.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.00	0.00	0.00	0.00	0.00	0.00	20.00
199	Salary - Other Assign	4,655.81	9,872.75	0.00	0.00	0.00	0.00	0.00	0.00	252.59	0.00	19,545.00	0.00	2,510.39	0.00	0.00	0.00	36,836.54
211	Social Security Cost	3,167.65	15,664.90	8,877.73	16,603.49	12,872.56	20,604.38	30,822.19	15,998.28	11,675.21	10,166.28	32,580.94	5,690.11	18,293.07	12,188.94	6,937.11	5,327.76	227,470.60
221	Retirement Cost	4,239.37	21,036.22	12,508.41	23,076.25	17,773.07	27,618.78	46,267.41	19,883.48	16,831.97	13,863.47	44,392.29	6,436.96	26,131.91	16,955.58	9,278.15	7,671.82	313,965.14
231	Hospitalization Ins	4,406.88	14,334.22	11,339.54	22,463.99	18,508.80	23,569.80	44,279.06	17,858.12	13,447.80	15,034.65	42,648.50	6,176.43	22,743.49	13,967.64	9,832.80	9,977.40	290,589.12
236	Emp Caf Benefits Plan	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
311	Contracted Services	36,690.80	32,009.00	0.00	107,210.81	151,000.00	0.00	67,887.82	86,038.00	1,682.63	16,867.00	0.00	174,529.00	0.00	8,507.00	935.00	0.00	683,357.06
312	Workshop Expenses	0.00	244.00	0.00	0.00	0.00	0.00	175.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	419.00
326	Cont Repair & Main-Equip	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
332	Travel	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
361	Printing & Binding	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
411	Instructional Supplies	1,065.00	1,009.36	3,219.74	2,160.96	5,425.80	0.00	0.00	2,713.43	449.31	0.00	1,592.53	0.00	5,296.03	4,916.29	0.00	0.00	27,848.45
412	Supplies & Materials	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,766.43	0.00	0.00	0.00	0.00	0.00	4,766.43
418	Computer SW & Supplies	0.00	0.00	0.00	516.28	3,886.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	81.20	0.00	0.00	0.00	4,484.18
461	Purch of NonCap Equip	0.00	0.00	0.00	356.61	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	346.62	0.00	0.00	0.00	703.23
541	Purch of Equipment	0.00	0.00	0.00	469.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,399.20	0.00	0.00	0.00	1,868.67
	Totals	$91,005.09	$290,641.50	$152,554.85	$399,979.73	$385,970.21	$350,729.22	$624,922.71	$358,996.96	$199,941.47	$195,662.40	$552,541.36	$270,023.55	$263,980.53	$212,989.52	$122,992.97	$98,290.15	$4,669,222.22

Prepared By:
Division of School Business
Reporting and Auditing Section
January 31, 1997

Annual Willie M Report -- Local Education Agencies by Zones

Period from July 1, 1995 thru June 30, 1996

ZONE 1	
200	CHEROKEE
220	CLAY
380	GRAHAM
440	HAYWOOD
500	JACKSON
560	MACON
870	SWAIN

ZONE 2	
110	BUNCOMBE
111	ASHEVILLE CITY
450	HENDERSON
570	MADISON
610	MITCHELL
750	POLK
810	RUTHERFORD
880	TRANSYLVANIA
995	YANCEY

ZONE 3	
230	CLEVELAND
231	KINGS MOUNTAIN CITY
232	SHELBY CITY
360	GASTON
550	LINCOLN

ZONE 4	
20	ALEXANDER
30	ALLEGHANY
50	ASHE
60	AVERY
120	BURKE
140	CALDWELL
180	CATAWBA
181	HICKORY CITY
182	NEWTON CONOVER CITY
590	MCDOWELL
950	WATAUGA
970	WILKES

ZONE 5	
600	CHARLOTTE MECKLENBURG

ZONE 6	
130	CABARRUS
132	KANNAPOLIS CITY
300	DAVIE
490	IREDELL STATESVILLE
491	MOORESVILLE CITY
800	ROWAN SALISBURY
840	STANLY
841	ALBEMARLE CITY
900	UNION

ZONE 7	
10	ALAMANCE
11	BURLINGTON CITY
170	CASWELL
340	FORSYTH
410	GUILFORD
790	ROCKINGHAM
850	STOKES
860	SURRY
861	ELKIN CITY
862	MOUNT AIRY CITY
990	YADKIN

ZONE 8	
190	CHATHAM
320	DURHAM
350	FRANKLIN
390	GRANVILLE
680	ORANGE
681	CHAPEL HILL CARRBORO CITY
730	PERSON
910	VANCE
930	WARREN

ZONE 9	
430	HARNETT
530	LEE
920	WAKE

ZONE 10	
40	ANSON
290	DAVIDSON
291	LEXINGTON CITY
292	THOMASVILLE CITY
470	HOKE
620	MONTGOMERY
630	MOORE
760	RANDOLPH
761	ASHEBORO CITY
770	RICHMOND

ZONE 11	
90	BLADEN
240	COLUMBUS
241	WHITEVILLE CITY
260	CUMBERLAND
780	ROBESON
830	SCOTLAND

ZONE 12	
310	DUPLIN
400	GREENE
540	LENOIR
820	SAMPSON
821	CLINTON CITY
960	WAYNE
980	WILSON

ZONE 13	
80	BERTIE
330	EDGECOMBE
370	GATES
420	HALIFAX
421	ROANOKE RAPIDS CITY
422	WELDON CITY
460	HERTFORD
640	NASH ROCKY MOUNT
660	NORTHAMPTON
740	PITT

ZONE 14	
100	BRUNSWICK
160	CARTERET
250	NEW BERN CRAVEN
520	JONES
650	NEW HANOVER
670	ONSLOW
690	PAMLICO
710	PENDER

ZONE 15	
70	BEAUFORT
150	CAMDEN
210	CHOWAN
270	CURRITUCK
280	DARE
480	HYDE
580	MARTIN
700	PASQUOTANK
720	PERQUIMANS
890	TYRRELL
940	WASHINGTON

ZONE 16	
510	JOHNSTON

NORTH CAROLINA DEPARTMENT OF PUBLIC INSTRUCTION

WILLIE M. EXPENDITURE REPORT

SUMMARY BY TYPES OF SERVICE

PERIOD FROM JULY 1, 1995 THRU JUNE 30, 1996

Summary -- All LEAs Expenditure Type		40	42	43	44	45	46	47	48	49	50	51	52	53	59	62	66	SERVICES TOTAL
121	Salary - Teacher	0.00	0.00	128,599.32	26,936.21	319,909.19	18,094.17	126,459.02	127,318.63	59,736.09	0.00	12,831.58	34,114.56	0.00	0.00	0.00	105,280.26	$959,279.03
139	Salary - Other Prof Assign	0.00	0.00	0.00	25,308.00	22,299.00	2,976.85	28,138.82	46,042.40	0.00	0.00	0.00	0.00	0.00	38,381.53	52,350.00	88,838.16	304,334.76
142	Salary - Teacher Asst	0.00	0.00	134,393.94	65,981.51	748,892.17	77,357.91	129,351.08	242,455.61	146,110.53	5,099.03	21,141.84	4,520.80	1,276.08	0.00	0.00	75,850.78	1,652,431.28
143	Salary - Tutor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,922.84	3,518.70	0.00	0.00	0.00	0.00	0.00	0.00	600.00	8,041.54
149	Salary - Occup Therapist	0.00	0.00	0.00	0.00	11,235.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11,235.00
180	Overtime Pay	0.00	0.00	0.00	0.00	5,463.94	1,145.43	2,582.97	1,771.50	0.00	285.19	2,481.01	0.00	0.00	0.00	0.00	490.54	14,220.58
182	Sub Pay - Certified	0.00	0.00	399.00	0.00	977.00	183.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,559.20
184	Sub Pay - Compl ETT	0.00	0.00	325.00	0.00	14,919.11	515.00	100.46	3,100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	18,959.57
185	Sub Pay - NonCertified	0.00	0.00	160.00	0.00	1,170.22	130.00	23.66	40.00	1,620.00	0.00	40.00	0.00	0.00	0.00	0.00	80.00	3,263.88
186	Salary - Workshop	0.00	0.00	0.00	0.00	(60.00)	0.00	0.00	3,628.96	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,568.96
191	Teach Asst - Sub Suppl	0.00	0.00	0.00	0.00	16.25	0.00	3.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20.00
199	Salary - Other Assign	0.00	0.00	0.00	0.00	2,548.98	0.00	2,405.10	21,872.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10,009.55	36,836.54
211	Social Security Cost	0.00	0.00	19,353.25	8,823.87	85,370.70	7,554.39	21,390.87	28,963.86	20,151.04	253.18	2,627.68	2,917.05	86.73	0.00	3,860.81	26,117.17	227,470.60
221	Retirement Cost	0.00	0.00	28,092.45	11,992.04	116,594.10	10,465.80	24,870.72	43,429.37	27,020.75	583.17	2,573.84	4,178.86	136.70	0.00	5,669.51	38,357.83	313,965.14
231	Hospitalization Ins	0.00	1,156.80	28,086.51	11,481.48	118,594.20	12,269.18	21,060.73	40,565.96	27,717.90	1,735.20	2,747.40	2,600.39	180.09	0.00	3,470.40	18,922.88	290,589.12
236	Emp Caf Benefits Plan	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
311	Contracted Services	63,882.00	272,567.89	257,020.16	46,475.00	20,715.38	0.00	0.00	1,647.00	16,867.00	0.00	0.00	0.00	0.00	2,500.00	0.00	1,682.63	683,357.06
312	Workshop Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	175.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	244.00	419.00
326	Cont Repair & Main-Equip	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
332	Travel	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
361	Printing & Binding	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
411	Instructional Supplies	0.00	0.00	6,506.94	1,899.03	9,641.11	0.00	3,557.34	4,916.29	325.55	0.00	0.00	0.00	0.00	0.00	0.00	1,002.19	27,848.45
412	Supplies & Materials	0.00	0.00	0.00	0.00	34.35	0.00	103.07	0.00	0.00	0.00	4,629.01	0.00	0.00	0.00	0.00	0.00	4,766.43
418	Computer SW & Supplies	0.00	0.00	81.20	1,360.35	2,176.55	0.00	632.88	0.00	233.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,484.18
461	Purch of NonCap Equip	0.00	0.00	346.62	0.00	0.00	0.00	356.61	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	703.23
541	Purch of Equipment	0.00	0.00	1,399.20	0.00	0.00	0.00	469.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,868.67
	Totals	$63,882.00	$273,724.69	$604,763.59	$200,257.49	$1,480,497.25	$130,691.93	$361,506.55	$569,850.33	$303,300.76	$7,955.77	$49,072.36	$48,331.66	$1,679.60	$40,881.53	$65,350.72	$367,475.99	$4,569,222.22

Prepared By:
Division of School Business
Reporting and Auditing Section
January 31, 1997

Annual Willie M. Report -- Expenditures By Types of Services Rendered for Educational or Related Services

Period from July 1, 1995 thru June 30, 1996

Educational Services

WM 40	Private Residential Program located In-State
WM 41	Residential Facility located Out-of-State
WM 42	Educational Services provided in Group Home or similar facility (community based)
WM 43	Community-Based Day Treatment & Education program
WM 44	Special Day Services
WM 45	Full-Time Special Class in Public School setting
WM 46	Part-Time Special Class in Public School setting
WM 47	Resource
WM 48	Crisis Intervention Services
WM 49	Regular Class with Support
WM 50	Regular Class
WM 51	Alternative School program
WM 52	Homebound Services
WM 53	In-School Suspension

Related Services

WM 54	Audiological
WM 55	School Counseling
WM 56	Occupational Therapy
WM 57	Physical Therapy
WM 58	Parent Counseling & Training
WM 59	Psychological Services
WM 60	Recreation
WM 61	School Health Services
WM 62	School Social Work Services
WM 63	Speech - Language Services
WM 64	Mental Health Counseling
WM 65	Social Services - Social Work
WM 66	Other (specify)

Attachment 4

UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION
3:79-CV-294-MU

FILED
CHARLOTTE, N.C.
FEB 24 1997
U.S. DISTRICT COURT
W. DIST. OF N.C.

WILLIE M., et al.,	)	
	)	
Plaintiffs,	)	
	)	
v.	)	ORDER
	)	
JAMES B. HUNT, JR., et al.,	)	
	)	
Defendants.	)	

This matter is before the Court upon its own motion. In response to the Court's order of January 9, 1997, the parties filed submissions on February 14, 1997, regarding termination of the Willie M. case and of the Willie M. Review Panel. Plaintiffs' submission was styled as a proposal, while Defendants' submission was in the form of a motion to terminate the class action pursuant to Rule 60(b) of the Federal Rules of Civil Procedure.

After reviewing said submissions, as well as input from the Review Panel, the Court concludes that an evidentiary hearing will be necessary in which Defendants will bear the burden of demonstrating that they are sufficiently in compliance with their obligations under the Consent Decree to justify such a termination. To that end, the Court **ORDERS** the parties to adhere to the following briefing schedule:

(1) The parties may each file a response succinctly addressing the legal arguments raised in the aforementioned submissions no later than April 25, 1997. To facilitate such

response, the parties may conduct additional, relevant discovery until April 4, 1997.

(2) The parties may then file a reply brief no later than May 16, 1997.

The Court will review the arguments and then provide additional guidance regarding the timing and scope of the evidentiary hearing. The Clerk is directed to send copies of this order to all counsel for both parties, as well as counsel for the Review Panel.

This 24th day of February, 1997.

Graham C. Mullen

UNITED STATES DISTRICT JUDGE
GRAHAM C. MULLEN

Willie M., et al v. James B. Hunt, Jr., et al
C-C-79-294M

Certificate of Mailing

True and corect copies of the attached were mailed by the Clerk to the following:

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Frank G. Johns, Clerk
By: Cindy Sagraves

February 25, 1997

Attachment 5

Division of MH/DD/SAS

Crisis Services Section

Budget & Program Overview

Fiscal Research Division

March 4, 1997

Crisis Services Section

Purpose

- Established in FY94/95;
- Develop a system of services for individuals in crisis, regardless of disability;
- Decrease inappropriate institutionalization of clients;
- Assist local programs in the development and expansion of crisis services; and
- Support local programs through technical assistance, coordination between area programs, funding and development & monitoring of outcome measures.

Crisis Services Section

Philosophy & Guiding Principles

- Services Provided to Individuals with Mental Illness, Developmental Disabilities, and Substance Abuse Should First be Structured to Meet Their Individual Needs;

- Services Should be Provided in the Lease Restrictive and Most Therapeutically Appropriate Environment and in the Individual's Home/Home Community to the Maximum Extent Possible;

- A Cross-Disability Approach to a Crisis Services System is the Best Model as it is the Most Cost Effective, Person-In-Crisis Responsive and Efficient;

Crisis Services Section *(continued)*

- Individual-Specific Treatment Planning, Which Includes the Consumer, Family, and Community Supports Prior to Actual Crisis Events can Help Reduce the Number and Seriousness of Crisis Events; and

- Assertive Community Treatment Teams are an Effective Way to Prevent Crisis Emergencies for Persons with Mental Illnesses, Behavioral Disorders, and Substance Abuse Problems.

Crisis Services Section *(continued)*

Crisis Service System Components

- Crisis Prevention - A set of services designed to reduce the incidence of recurring crises.
  -Assertive Community Treatment Teams
  -Family Support & Education

- Crisis Response - A set of services designed to assist with immediate signs and symptoms reduction and safely transition persons in acute crises to appropriate crisis stabilization services.
  -Emergency Transportation
  -Mobile Response Teams
  -24-Hour Crisis Telephone
  -Walk-In Crisis Services

- Crisis Stabilization - A set of services designed to restore persons to be able to function in the community at their best previous level and/or get individual to appropriate long-term care.
  -Medical/Social Detoxification
  -Continuity of Care Case Management
  -Transitional Living Services/Centers
  -Acute Ambulatory Services
  -Inpatient Acute Care & Crisis Follow-up

Crisis Services Section

FY96/97 Budget Information

- $9,587,732 Total Funds Available
  -$7,587,732 Mental Health & Substance Abuse Crisis Allocations
  -$4,000,000 Thomas S Diversion/Crisis Allocation ($1.4M transfer of Thomas S funds & $2M appropriated during 1996 Session)

- 124,875 Persons Served (1996)

Crisis Services Section

Gaps in Services (in priority order)

- Insufficient Cross-Disability Trained Staff & Specialized Services for Clients with Multiple Disorders (e.g., MI/SA, MR/MI, MR/MI/SA)
- Crisis Response Teams
- Psychiatric Emergency Coverage
- Facility-Based Crisis/Detox Stabilization Beds or Services
- Respite/step-down for Clients with Multiple Disabilities
- Case Management
- Residential Alternatives
- Hospital-Based Medical Detox
- Transportation
- Services for Consumers w/o Insurance & Entitlements

Attachment L

VISITOR REGISTRATION SHEET

Committee: Human Resources Date: MAR 5 1991

VISITORS: Please sign below and return to Committee Clerk.

NAME	FIRM OR STATE AGENCY AND ADDRESS
Louis Dick	Speaker, Sr. Fayetteville Legislature
Janet Simoneau	NCAEF
Don Willis	DMH DDSAS
Will Lindsay	DHR - Budget Analysis
Tommy Worth	Carolinas Health Care System
[illegible]	O.S.P.L.
Megan Carney	BSW Student - Meredith College
Lesley Wann	student (Meredith College)
Tara Larson	DMH/DD/SAS CAP-MR
Helen Lippman	Mecklenburg County
Byron K. Harris	OSBM
Wayne Welborn	OSBM
Lynn E. Stelle	DMH DD/SAS
Alan Trader	NC Council of Comm Progs
Becki Garrett	PPNC
John Bowdish	Zeb Alley P.A.
Roger Manus	carolina Legal assistance
Lon Wilson	NCALTC7
Ellen Russell	The Arc of NC
Pam Pruitt	NCHA

VISITOR REGISTRATION SHEET

Committee: Human Resources Date: MAR 5 1997

VISITORS: Please sign below and return to Committee Clerk.

NAME	FIRM OR STATE AGENCY AND ADDRESS
Elizabeth Hollers	NASW
Myrna M. Ha	

VISITOR REGISTRATION SHEET

Committee: Human Resources Date: MAR 5, 1997

VISITORS: Please sign below and return to Committee Clerk.

NAME	FIRM OR STATE AGENCY AND ADDRESS
Roger Manus	CCA
Tommy Worth	Carolina ReadyCare System
[illegible] Willis	DMHDDSAS
Jim Jackard	Thomas S.
Tara Larson	DMH/DD/SAS CAP-MR
Lynn Stelle	DMH/DD/SAS
Will Lindsay	DHR - Budget & Analysis
[illegible]	OSPL
Gayle Fitzgerald	OSPL
Wayne Williams	OSBM
Byron K. Harris	OSBM
Ann Schwindaman	NC Council of Community Programs
[illegible]	NCACC
C. L. Cochran	UCPAC - Coalition
Ellen Russell	The Arc of NC
[illegible] Williams	Bowers Assoc/L&C
[illegible]	NCACC
Myrna Miles	NASW-NC
[illegible]	Avalon

VISITOR REGISTRATION SHEET

Committee: Human Resources Date: MAR 5 1997

VISITORS: Please sign below and return to Committee Clerk.

NAME	FIRM OR STATE AGENCY AND ADDRESS
Leg Kathleen	DHR
Jim Edgar	DHR
Jayne White	Human S.
John Bagnoli	DMHDDSAS
Phil Hoffman	" "
Jane O. Gray	DOJ

Barbara Hocutt (Rep. Gardner)

From: Susan Groh (Rep. Aldridge)
Sent: Tuesday, March 04, 1997 6:20 PM
To: Barbara Hocutt (Rep. Gardner)
Subject: EXCUSED ABSENCE FOR REP. ALDRIDGE

Please document an excused absence for Rep. Henry Aldridge from the Appropriations Subcommittee on Human Resources meetings on Wednesday, March 5, 1997.

Thank you. - Susan Groh, Clerk

HOUSE APPROPRIATIONS SUBCOMMITTEE FOR HUMAN RESOURCES

Minutes
March 6, 1997
8:30

The North Carolina General Assembly House Appropriations Subcommittee on Human Resources met jointly with the Senate Appropriations Subcommittee on Thursday afternoon, March 6 , 1997, at 8:30 A.M. in Room 424 of the Legislative Office Building.

House Co-Chairman Representative Lanier Cansler presided. Other House members present were Representative Charlotte Gardner, Co-Chairman, Representative Debbie Clary, Co-Chairman, Representatives Alma Adams, Henry Aldridge, Martha Alexander, J. W. Hurley, Edd Nye and Cindy Watson. All six Senate Subcommittee members were present.

Representative Cansler called the meeting to order at 8:31 A.M. Karren Hammonds-Blanks gave a brief explanation of Managed Care Initiatives. The Representatives and Senators had many questions.

The Committee received comments and answers to some of the Members' questions from various members of staff, as well as the Department of Human Resources.

Lynn Stelle, Division of Mental Health, gave a report on Carolina Alternatives. After her presentation, many questions were asked concerning risk money, after school children's program, whether there was a duplication of services, reducing treatment to cost, incentives to stay in the program, cost overruns, reserves, dollars for buildings, etc. Tom Maynard, Orange-Person-Chatham Area of MH/DD/SA Program rendered several comments to the Committee.

After questions and comments, Ms. Stelle completed her presentation.

Mr. Maynard ended with a few brief comments.

The meeting was adjourned at 9:50 A.M. with a reminder that the Committee would again meet after the day's session.

Respectfully submitted,

Presiding Co-Chairman - Representative Lanier M. Cansler

Barbara Cansler, Clerk

Attachment I	Agenda
Attachment II	Division of MH/DD/SAS Managed Care Initiatives
Attachment III	Carolina Alternatives
Attachment IV	Visitor Registration Sheet

AGENDA

Joint Subcommittee on Human Resources Appropriations

Legislative Office Building - Room 424
Thursday - March 6, 1997
8:30 a.m.

Division of Mental Health, Developmental Disabilities, Substance Abuse Services *(continued)*

- Managed Care Initiatives:
  - -CAP-MR/DD — FRD
  - -Single Portal DD
  - -Psychiatric Hospital Bed Allocation — Don Willis
  - -Carolina Alternatives — Lynn Stelle

Division of Services for Deaf and Hard-of-Hearing — FRD

Division of MH/DD/SAS

Managed Care Initiatives

Fiscal Research Division

March 5, 1997

Managed Care in Mental Health

- *Community Alternatives Program - Mental Retardation/Developmental Disabilities (CAP-MR/DD)*
- *Single Portal of Entry & Exit for DD*
- *State Psychiatric Hospitals Bed Allocation*
- *Carolina Alternatives (Medicaid-Child Waiver)*

Division of MH/DD/SAS

Community Alternatives Programs- Mental Retardation/Developmental Disabilities (CAP-MR/DD)

- "Benefits Cap" Approach to Managed Care
- Began 1983, Special Medicaid Program Serving Individuals Who Would Otherwise Require Care in an Intermediate Care Facility for People with Mental Retardation or Developmental Disabilities (ICF-MR)
- Maximum Annual Benefit Limit $65,000/Slot
  -4,104 Total Slots

CAP-MR/DD

Available Services

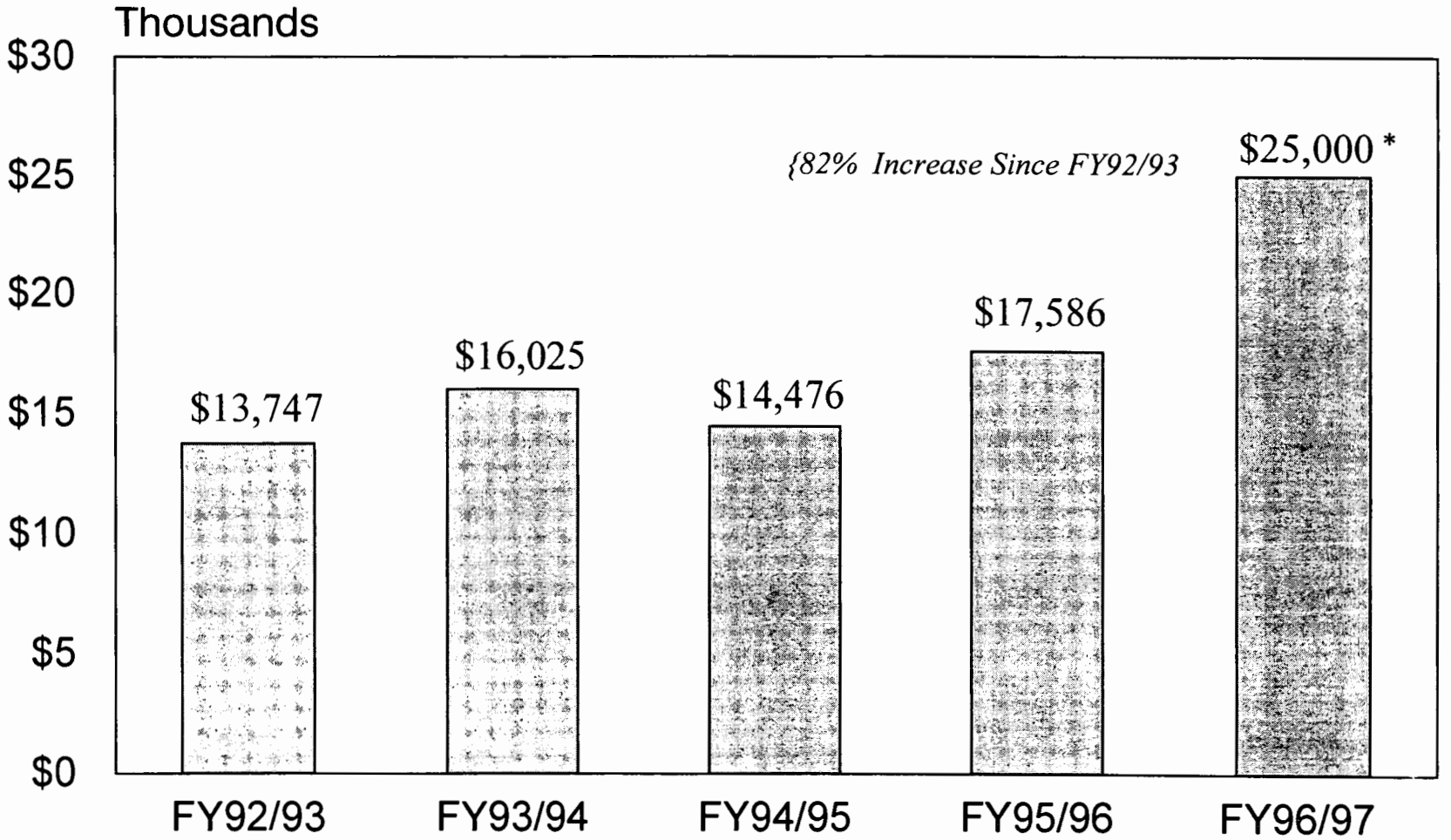
- Case Management
- Adult Day Health Care & Adult Day Care
- Augmentative Communication Equipment
- Supplies & Equipment **(expanded 1995)**
- Crisis Stabilization
- Supported Living Services
- Environmental Accessibility Adaptations
- Vehicle Adaptations **(new service 1995)**
- In-Home Aide Services
- Personal Emergency Response System
- MR Personal Care
- Respite Services **(revised service 1995)**
- Personal Habilitation Services {Eg. Supported Employment} **(revised & new services 1995)**

CAP-MR/DD

Benefits of Program

- Individualized Services
- Prevents Institutionalization
  -Average State ICF-MR $81,000/Year
  -Average CAP-MR/DD Client $25,000/Year (estimated)
- Creates Opportunities for Better Client Outcomes
- Fosters "Family Centered" Approach

CAP-MR/DD Trends in Service
Average Expenditure Per Client



FRD
3/97

**Estimated FY96/97 Cost Per Client*

CAP-MR/DD

Factors Impacting Costs

- Growth in Number of Slots *(72% since FY92/93)*
  {Emphasis on Medicaid Maximization}

- Increased Maximum Annual Benefit *Cap (>100% Increase)*
  -FY95/96 $17,586/Client (27% of maximum benefit)
  -FY96/97 Estimated Ave. $25,000/Client (38% of maximum benefit)

- Expanded & New Services

- Growth in Thomas S & Willie M Members Served *(February 1997, 510 Thomas S & 40 Willie M)*

- Escalating Costs for Services

Single Portal Entry & Exit for Developmental Disabilities

- Began 1994 {G.S. 122C-132}
- "Gatekeeper" Approach to Managed Care
- Area Mental Health Programs Act as Lead Agencies

State Psychiatric Hospital Bed Allocation Plan
Don Willis, DMH/DD/SAS

Carolina Alternatives
Lynn Stelle, DMH/DD/SAS

CAROLINA ALTERNATIVES

Presentation to

N.C. General Assembly

Joint Human Resources Appropriations Committee

March 1997

Background

- 1915-B Medicaid Waiver Program
- Established in 10 area programs -- 32 counties, initiated in January 1994, Covering all Medicaid eligible children 0-17
- Prepaid, Capitated Managed Care Program
- Responsible for all mental health and substance abuse services (inpatient and outpatient)

Covered Counties

- Blue Ridge AP: Buncombe, Madison, Mitchell, Yancey
- Foothills AP: Alexender, Burke, Caldwell, McDowell
- Forsyth-Stokes AP: Forysth, Stokes
- Gaston Lincoln AP: Gaston, Lincoln
- OPC AP: Chatham, Orange, Person

continued

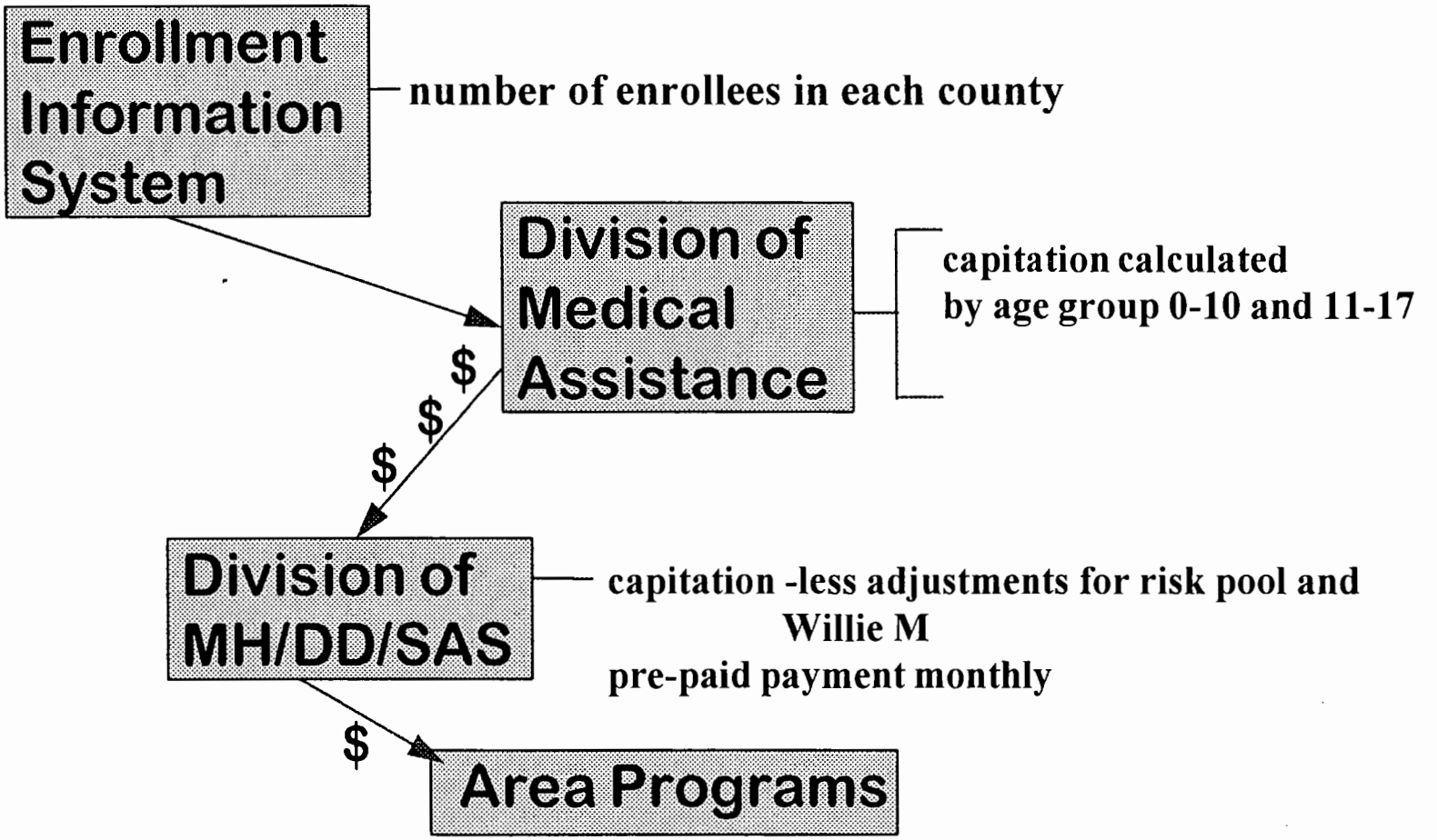
Covered Counties (cont.)

- **Smoky Mountain AP:** Cherokee, Clay, Graham, Haywood, Jackson, Macon, Swain
- **Southeastern** Brunswick, New Hanover, Pender
- **Trend** Henderson, Transylvania
- **VGFW** Franklin, Granville, Vance, Warren
- **Wake** Wake

Goals of Carolina Alternatives

- Increase access to services.
- Decrease inappropriate hospital use.
- Expand availability of alternative services.
- Provide treatment in least restrictive setting.
- Provide coordinated care which is responsive to individual needs.
- Enable children and families to participate in their treatment.
- Increase participation and cooperation between public and private providers.
- Increase cooperation between community agencies.
- Maintain or improve the quality of care while stabilizing costs.
- Establish a realistic basis for capitation by first improving access and providing incentives to use community based, non-hospital treatment.

How Capitation Works



How C.A. Works

Medicaid Enrollees

↓

Management Entity
(Area Program)

- evaluate clients
- develop a plan of care
- authorize services
- pay for services

↓

Network of Providers
under contract with the Area Program

1. Mandatory enrollment for all eligibles
2. Single point of entry to services
3. Management entity responsible for all services
4. Funds pre-paid and capitated

How Decisions are Made

- Input from area programs
- Input from Division staff
- Input from stakeholders consumers, families, providers
- Data analysis
- Recommendations via Carolina Alternatives Policy Advisory Council to Div. Director
- Proposals to DMA, HCFA

Outcomes of C.A.

- Increased Access:
  - The eligible population grew by 34.7% from 1992 (97,274) base year to 1996 (130,996).
  - The number of clients served grew by 138.8% from 1992 to 1996, from 5,149 to 12,300.
  - The percent of eligibles in CA receiving MH/SA services in 1992 = 6.9%, in 1996 = 9.4%. Compared to percent of eligibles in Other area programs: 1992 = 4.2%, in 1996 = 6.9%

Outcomes (cont.)

- Decreased inappropriate inpatient utilization
  - Average paid inpatient days per client served: in CA Programs, 1992 = 50.1 days, in 1996 = 19.1 days. In other area programs, 1992= 42.9 days, in 1996 = 29.5 days
- Reprogrammed inpatient dollars
  - In 1992, 73.9% of dollars spent on inpatient; in 1996, 11.4% spent on inpatient in CA programs

Outcomes (cont.)

- Management efficiencies
  - Per eligible per month costs to Medicaid have grown in CA programs, but to a lesser degree (20% less) than growth in Other area programs
  - CA has increased the numbers served, lowered the cost per person served and slowed the growth in per elgible per month costs
  - CA area programs have increased the proportion of capitation received expended on regular and alternative services: 87.2% in 1994 to 90.1% in 1996

Area Program Modifications

- Access
  - 24 Hour Emergency
  - Continuum
  - Enrollee outreach
  - Consumer/Advocacy Input
- Provider Network
  - Service Authorization Sys
  - Transition Plan
- Clinical Service System
  - Management
  - Levels of Care
  - Interagency Agreements
  - Appeals & grievance
  - ER instructions
  - Cross disability planning
- Admin Infrastructure
  - Board/County Support
  - Adequate Staff
  - MIS
  - CON Procedures
- Fiscal
  - Previous Audits, operations
- Quality Improvement/ Utilization Management

Planning for the Future

- Expand CA in all area programs for children
- Add adults, 18 - 64, in all area programs
- Study Commission support for expansion
- Area Programs getting ready
- DHR supports statewide expansion for children and adults
  - pending HCFA and SBO approval

VISITOR REGISTRATION SHEET

Committee: Human Resources Date: MAR 6 1997

VISITORS: Please sign below and return to Committee Clerk.

NAME	FIRM OR STATE AGENCY AND ADDRESS
Tom Maynard	Orange-Person-Chatham Area MH/DD/SA Program
John Tate	MH/NC - Coalition 2001
C.L. Cochran	UCPNC - Coalition 2001
Megan Snyder	Eastern Seal Society - Coalition 2001
Dan Richard	ARC NC
Michael Watson	Sandhills Center
Lynn Stille	DMH/DD/SAS
Tara Larson	DMH/DD/SAS CAP-MR
Steve Johnson	" - MH Section
[illegible]	OSBM
Will Lindsay	DHR - Budget Analyst
[illegible]	Doctor of the Day - Capitol Hewit
Megan Carney	RSW Student - Meredith College
Ann Schwindaman	NC Council of Community Programs
Whitney Obrig	DMHDDSAS
Ann Christian	Atty NCSAPCB
Flo Stein	MH/DD/SAS
Tommy Worth	Carolinas Rehab Care System
[illegible]	OSPL
Byron K Haris	OSBM
NELS ROSELAND	OSBM
Lesley Warren	student (Meredith College)
[illegible]	Voca + Charter Behavioral Systems
Peggy MAYNARD	[illegible]
[illegible]	NCHIA
CRAIG SOMER	NCHCFA

HOUSE APPROPRIATIONS SUBCOMMITTEE FOR HUMAN RESOURCES

Minutes
March 6, 1997
Afternoon

The North Carolina General Assembly House Appropriations Subcommittee on Human Resources met jointly with the Senate Appropriations Subcommittee in the afternoon of Wednesday, March 6, 1997, in Room 424 of the Legislative Office Building.

House Co-Chairman Representative Lanier Cansler presided. Other House members present were Representative Charlotte Gardner, Co-Chairman, Representative Debbie Clary, Co-Chairman, Representatives Alma Adams, Henry Aldridge, Martha Alexander, Edd Nye and Cindy Watson. Three of the Senate Subcommittee members were present.

Representative Cansler called the meeting to order at 3:05 P.M. Mr. Don Willis, MH/DD/Sas - Department of Human Resources, offered a handout entitled Bed Day Allocation/Continuity of Care. There were several comments concerning area programs inability to pay, reimbursement, collecting fees being the responsibility of the institution , and the need for good accountability.

Mary Ellen Sylvester than started a presentation on the Services for the Blind. The Committee had some concerns about the turnover in staff for the homes, success story on privatizing in other states, staff related activities, competency of teacher in signing and several other questions. Also, the Committee asked staff to get some information for a later date.

Staff and Dr. Mike Green, Department of Human Resources, provided the Committee with answers to many of their questions.

Some of the Members expressed their concerns about Central, and if closing the facility was the right thing to do.

Representative Cansler adjourned the meeting at 4:04 P.M.

Respectfully submitted,

Presiding Co-Chairman - Representative Lanier M. Cansler

Barbara Cansler, Clerk

Attachment I	Division of MH/DD/SAS Bed Day Allocation/Continuity of Care
Attachment II	Responses to Member' Questions on the Division of Services for the Blind
Attachment III	Division of Services for the Deaf and Hard of Hearing
Attachment IV	Visitors Registration Sheet

Division of MH/DD/SAS

Bed Day Allocation/Continuity of Care

Bed Day Allocation

- To improve quality of care and to prepare for the state hospitals to operate under Carolina Alternatives, revisions have been made in the processes for state hospital admission and discharge and resource allocation.

- Medicaid does not reimburse for state hospital services provided to persons aged 22-64.

- Expansion of Carolina Alternatives to adults requires the imposition of controls on access to the state hospitals.

- A Task Force comprised of area program, state hospital and division staff developed process for control.

- Beginning July 1, 1996, each area authority received an allocation of state hospital bed days which can be used at no charge to the authority.

- Initial bed day allocation is based on the program's historical utilization of the hospitals during FY's 93 through 95.

- If an area program exceeds its allocated number of bed days, it must either purchase days from another area program within the region or pay a per diem rate into a regional reserve.

- Area programs within a region can buy and sell bed days, as long as the total number of bed days available within the facility is not exceeded.

- First year of implementation is "hold harmless" should an area program exceed its bed day allocation.

- Equalization of bed days on a per capita population basis must be addressed.

AREA PGM CODE	AREA PROGRAM NAME	AUTHORIZATION TYPE	BED DAYS ALLOCATED	AUTHORIZED BED DAYS UTILIZED	ALLOCATED BED DAYS REMAINING	NON-AUTH BED DAYS UTILIZED	BED DAYS IN DISPUTE
302	DAVIDSON	PSYCHIATRIC SERVICES	8,327	2,496	5,831	138	0
303	SANDHILLS	PSYCHIATRIC SERVICES	16,424	9,454	6,970	80	0
304	SE REGIONAL	PSYCHIATRIC SERVICES	12,982	6,833	6,149	198	0
305	CUMBERLAND	PSYCHIATRIC SERVICES	12,385	6,077	6,308	95	0
306	LEE-HARNETT	PSYCHIATRIC SERVICES	9,998	3,574	6,424	30	0 0
307	JOHNSTON	PSYCHIATRIC SERVICES	6,661	3,780	2,881	252	0
308	WAKE	PSYCHIATRIC SERVICES	48,736	25,760	22,976	256	0
310	RANDOLPH	PSYCHIATRIC SERVICES	8,086	4,465	3,621	12	0
TOTAL FOR REGION: SOUTH CENTRAL			123,599	62,439	60,800	1,061	0

AUTH TYPE	CLIENT NAME	ACCOUNT NUMBER	RESP CNTY	AUTHORIZATION NUMBER	AUTH FROM	AUTH THRU	ADMIT DATE	DISCHARGE DATE	AUTH DAYS UTILIZED TO DATE	NON-AUTH DAYS UTIL TO DATE	DAYS IN DISPUTE	DISPUTE REASON	DISPUTE RESOLUTION
PS			WAYNE	40300BARS12025806021	07/01/96	03/30/97	05/25/93	N/A	243	0	0	N/A	N/A
			WAYNE	40300MHIL06235112276	12/27/96	01/27/97	12/26/96	12/27/96	0	1	0	N/A	N/A
TOTAL FOR PS :		2							243	1	0		

Continuity of Care

- Rules governing state hospital admission and discharge were revised effective July 1, 1996, to improve linkages between area programs and hospitals.

- Revised rules also facilitate implementation of bed day allocation process.

- Effective July 1, 1996, area authority must screen and authorize all initial hospital admissions and continued stay beyond the initial authorization period.

- Area authority must send to the hospital, at time of referral or within one working day, information for treatment plan development.

- Rules require ongoing communication between the hospital and area program regarding clients in treatment at the hospital.

- Discharge plans must be developed collaboratively to include area program and hospital staff and the client.

North Carolina General Assembly
Legislative Services Office

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Raleigh, NC 27603-5925
(919) 733-2578

March 3, 1997

MEMORANDUM

TO: Members, Joint Appropriations Subcommittee on Human Resources

FROM: Mary Ellen Sylvester
Fiscal Research Division

SUBJECT: Responses to Members' Questions on the Division of Services for the Blind

The following information is provided by the Division of Services for the Blind in response to questions asked by members during the Division Overview presentation on February 20th:

1. **How many people have been institutionalized because of the limits on funding for Independent Living Services?**

   A specific number representing those who have been institutionalized as a result of limited Independent Living Services funding is not available. When a Social Worker for the Blind is unable to provide in-home Level I aide services, the Social Worker does attempt to identify other resources or, in some cases, provides a limited number of in-home aide hours, but less than the optimal number of hours for a given client. One Social Worker with whom the Division spoke did recall three clients on his caseload for whom adult care home placement was sought because of lack of adequate in-home aide support. Probably a more accurate figure could be obtained if the adult care home population could be assessed to identify those who could live outside the facility with proper in-home support.

2. **Why are the number of Special Assistance for the Blind (SAB) clients declining?**

   Two factors can be cited as reasons for the decrease in the number of clients served by SAB over the last several years. SAB, unlike SA, is able to serve children. Several years ago, two of the facilities which had previously provided services at the adult care home level, switched to the skilled nursing level. Many children who had been covered by SAB were no longer covered by the program. Second, as expertise and resources have been made available to provide independent living services, some clients who would previously have had to go into residential facilities have been able to develop the skills to remain in their communities. Low technology aids and devices enable some of these individuals to function more independently and safely in their homes than might have been the case several years ago.

AN EQUAL OPPORTUNITY/AFFIRMATIVE ACTION EMPLOYER

3. **What were the net income amounts received by, and the set aside amounts paid by, each individual on contract with Business Enterprises last year (1996)?**

Attachment A contains a breakdown of the net proceeds paid to, and set-aside paid by, operators in the Business Enterprises Program from January 1, 1996 through December 31, 1996.

A. The printout identifies those operators who worked less than a full year, as their income figures will be noticeably lower. Their incomes are factored into the average operator income, and thus lower the average income.

B. Some operators did work in more than one location simultaneously during the year. Two reasons for such an occurrence include a vacancy at a facility with an operator filling in until a permanent operator can be hired or the opening of a new facility and an operator managing the facility until a permanent operator can be hired. Thus, this list includes some operators who have earnings from two facilities during portions of the year.

C. Operators must pay the following costs from the income or "net proceeds" shown for each operator: both sides of his Social Security, health insurance premiums, retirement benefits, and the cost of a driver or public transportation to get to and from work.

D. There are no State funds in the Business Enterprises Program budget. The program is operated through set-aside paid by the operators which is used as matching money to draw down federal rehabilitation funds. This combination of set-aside and federal money is used to cover the costs of management services to operate the program and the purchase of equipment for vending locations operated by blind vendors in the program.

4. **Please provide a complete list of capital projects funded with repair and renovation funding during the past three years, including the cost for each project and its status.**

Please see Attachment B. Although the architect has not finalized project schedules for the 1996-97 renovations of the vocational building and the pool, the Division anticipates that both facilities will be available for student use during part of the 1997-98 school year. Completion of the pool renovation is only Phase I of a multi-phased gymnasium/pool renovation project.

5. **Please provide additional information on the Governor's proposed reductions in the continuation budget.**

During November, 1996, the Division was instructed to identify cuts amounting to 2% of its State appropriations. The proposed reductions equal $139,997 in each year and are reflected in the Division's continuation budget as follows:

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Attachment A

Business Enterprises Program
Division of Services f/t Blind

1996 Calendar Year Statistics

February 25, 1997

	Operator Net Proceeds	Set-Aside Paid
1	11,747.26	2,317.16
2	22,957.11	4,570.15
3	8,544.69	1,403.87
4 *	2,800.00	316.12
5	23,262.84	4,618.00
6	25,736.80	5,090.87
7 *	2,938.69	601.90
8	12,646.01	2,483.57
9	23,291.22	4,638.74
10	14,258.35	3,012.56
11 *	13,515.80	2,929.88
12	46,091.17	9,251.07
13	84,306.00	22,819.50
14	25,088.81	4,992.23
15	10,435.83	2,050.15
16	48,223.82	9,687.06
17	76,536.78	15,746.52
18	19,233.47	3,806.25
19 *	8,050.00	677.49
20 *	9,807.05	2,008.67
21	27,113.40	5,430.49
22	21,477.86	4,279.48
23	15,742.18	3,123.30
24	63,058.43	12,643.60
25	8,400.00	1,389.61
26	29,178.16	5,338.82
27	18,332.08	3,641.18
28 *	2,450.00	360.67
29	17,984.05	3,541.26
30	8,400.00	987.65
31	22,775.38	4,533.40
32	13,348.36	2,673.85
33	9,042.87	1,769.80
34	32,319.14	6,424.43
35 *	7,615.54	1,500.49
36	43,146.24	8,619.94
37	20,681.46	4,137.86
38	24,152.44	4,788.47
39	60,128.90	12,088.14
40	56,778.96	11,761.08
41 *	7,006.16	1,350.64
42	16,807.36	416.35
43	21,926.35	4,409.76
44	8,400.00	73.61
45 *	4,186.24	621.65
46	17,882.59	3,554.82
47 *	7,700.00	93.81
48	57,869.81	11,632.82
49 *	7,700.00	132.48
50	36,003.39	7,208.10

* Operator Worked Only Part of Year

51	50,108.85	10,161.99
52	44,459.08	8,902.87
53	86,886.57	26,080.42
54 *	3,872.88	727.62
55	14,661.95	2,892.57
56	35,729.03	7,136.25
57	17,158.25	3,406.51
58	31,890.36	6,371.77
59	33,522.10	6,703.90
60	25,817.75	5,132.62
61	17,868.56	3,562.30
62	25,346.63	5,046.14
63	25,910.02	5,142.63
64	10,376.27	2,014.19
65	32,172.55	6,419.27
66 *	1,525.15	132.78
67	29,030.18	5,795.43
68 *	5,600.00	991.40
69	13,649.53	2,707.30
70	49,672.92	9,962.70
71	38,529.27	7,719.68
72 *	5,074.54	1,039.36
73	8,400.00	1,544.16
74 *	13,222.84	2,645.09
75	8,400.00	1,038.89
76	38,766.44	7,749.59
77	8,400.00	1,330.75
78 *	802.25	164.32
79	61,947.25	12,446.23
80	25,580.60	5,117.40
81	8,400.00	1,414.68
82	8,922.64	1,784.62
83	28,794.12	5,734.01
84	14,229.64	2,511.09
85	23,648.25	4,710.95
86	54,404.68	10,978.46
87	10,092.08	1,876.94
88	77,902.08	17,035.60
89	56,121.59	11,237.07
90	56,218.59	11,254.21
91 *	3,639.87	365.20
92	69,348.29	13,913.18
93 *	4,675.86	861.09
94	13,300.90	2,213.24
95	88,107.61	26,765.01
96	35,099.31	7017.89
97 *	1,400.00	243.79
98	22,585.94	4,544.26
	2,518,352.32	**516,096.74**
Average Operator Net Proceeds	$25,697.47	Average Operator Set-Aside Paid $5,266.29

* Operator Worked Only Part of Year

Attachment B

THE GOVERNOR MOREHEAD SCHOOL CAMPUS		
CAPITAL PROJECTS IN 1993-94		
PROJECT	**R&R FUNDS**	**PROJECT STATUS**
HVAC in Lineberry & Simpson	$ 1.2M	Construction Phase
Reroof 14 buildings	886,897	Completed March,1996
Waterproofing 2 buildings	77,600	Completed August, 1995
Emergency & Exit Lighting	86,500	Completed July, 1995
HVAC Haywood Bldg.	158,986	Completed December, 1994
ADA Baths, Lineberry Bldg.	55,000	Completed December, 1995
Sprinkler System in Voc. Bldg.	71,800	Redesign Phase
Renovation of Haywood Bldg.	115,524	Completed May, 1995
CAPITAL PROJECTS IN 1994-95		
Window Replacement 13 Bldgs.	$640,100	Completed December, 1996
Reroof 2 buildings	110,200	Completed June, 1996
Replace 1 boiler	245,800	Final phase
CAPITAL PROJECTS IN 1995-96		
Reroof 2 buildings	$235,658	Completed December, 1996
Electrical Upgrade Lineberry & Increased Campus Lighting	185,600	Construction Phase
CAPITAL PROJECTS IN 1996-97		
Renovation of Gym/Pool	$ 1.9M	Design Phase
Renovation of Vocational Bldg		
Basement for GMS Voc.Pgm.	218,500	Design Phase

DIVISION OF SERVICES FOR THE DEAF AND HARD OF HEARING

DIVISION OVERVIEW

Presented by: Mary Ellen Sylvester
Fiscal Research Division
March 6, 1997

DIVISION OF SERVICES FOR THE DEAF/HARD OF HEARING

DIVISION SUMMARY

Budget Summary:

	1995-96 Actual	1996-97 Certified	1996-97 Authorized	1997-98 Recommended	1998-99 Recommended
Requirements	$27,003,397	$28,528,653	$28,438,837	$28,156,436	$28,106,515
Receipts	$1,182,761	$982,428	$967,908	$938,566	$934,816
Net Appropriation	$25,820,636	$27,546,225	$27,470,929	$27,217,870	$27,171,699

Reference Documents:

Continuation Budget: Volume 3
Pages R(10)-1 through R(10)-46

Performance/Program Budget: **Human Services** (Voume 7A):
2100 (Pages 2-37 through 2-44)
"Provide Community-Based Services to the Impaired or Disabled and Their Families"

Education (Volume 7B):
7112 (Pages 7-29 through 7-38)
"Instruction in Special K-12 Schools"

DIVISION OF SERVICES FOR THE DEAF/HARD OF HEARING

MISSION

Provide Access and Equitable Opportunities for Deaf and Hard of Hearing Individuals in North Carolina Conducive to Achievement of Maximum Participation and Productivity in Society.

This is Accomplished Through Direct and Indirect Services and Through Integration, Collaboration, Partnership, and Reciprocity With All Appropriate State Divisons, Educational Cooperatives, Local Education Agencies, Parent Groups, Colleges, and Universities.

Provide Innovative Administrative Leadership and Regulatory Authority in the Areas of Education, Employment, and Human Services, Accessibility, Certification of Interpreters, Staff Development, Parent/Public Awareness, and Advocacy.

DIVISION OF SERVICES FOR THE DEAF/HARD OF HEARING

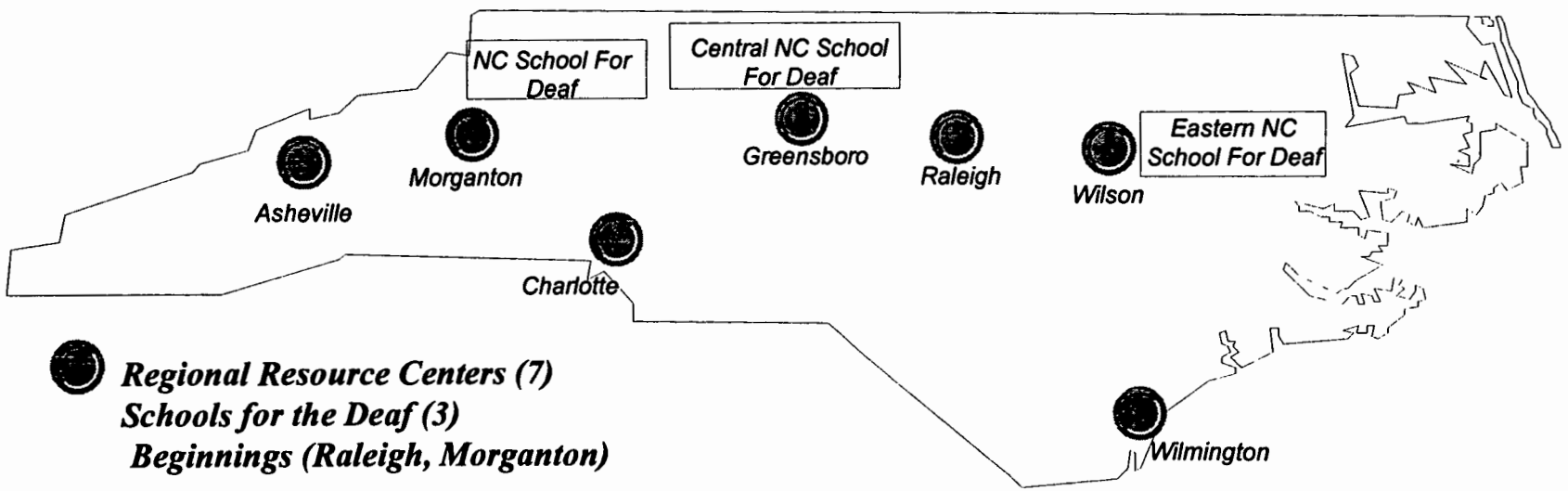
CLIENTS:

- An Estimated 700,000 North Carolinians Are Deaf or Hard of Hearing
  Deaf: 75,600
  Hard of Hearing: 624,400

- 681 Students Attend the North Carolina Schools for the Deaf (as of 12/1/96)
  K through 12: 460 Students
  Preschool: 221 Students
  (0 to 5 years)

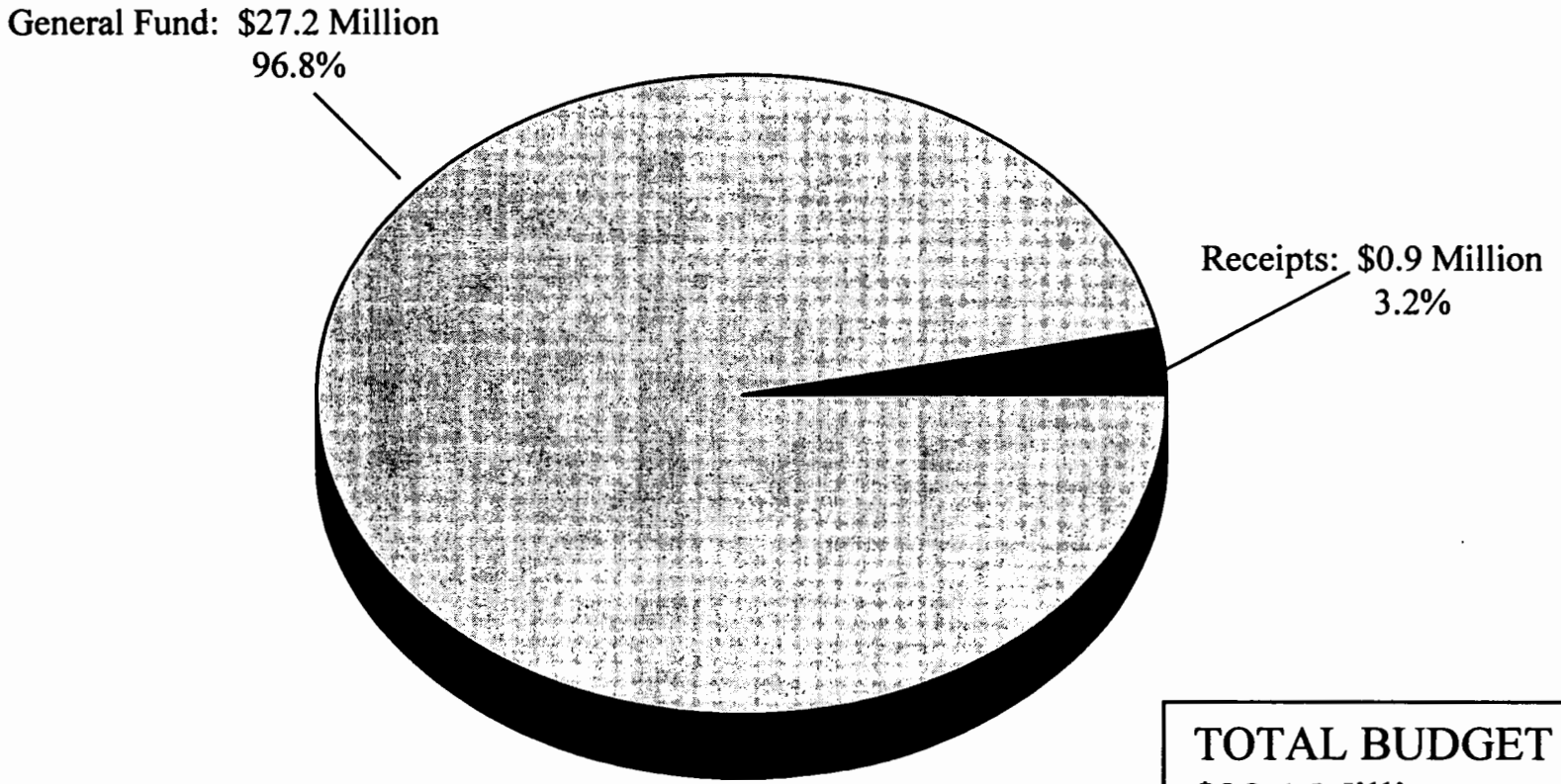
- 1,706 Deaf and Hard of Hearing Students (K-12) Are Being Served By Local Education Agencies (as of 12/1/96)

WHERE THEY ARE SERVED:



DIVISION OF SERVICES FOR THE DEAF/HARD OF HEARING

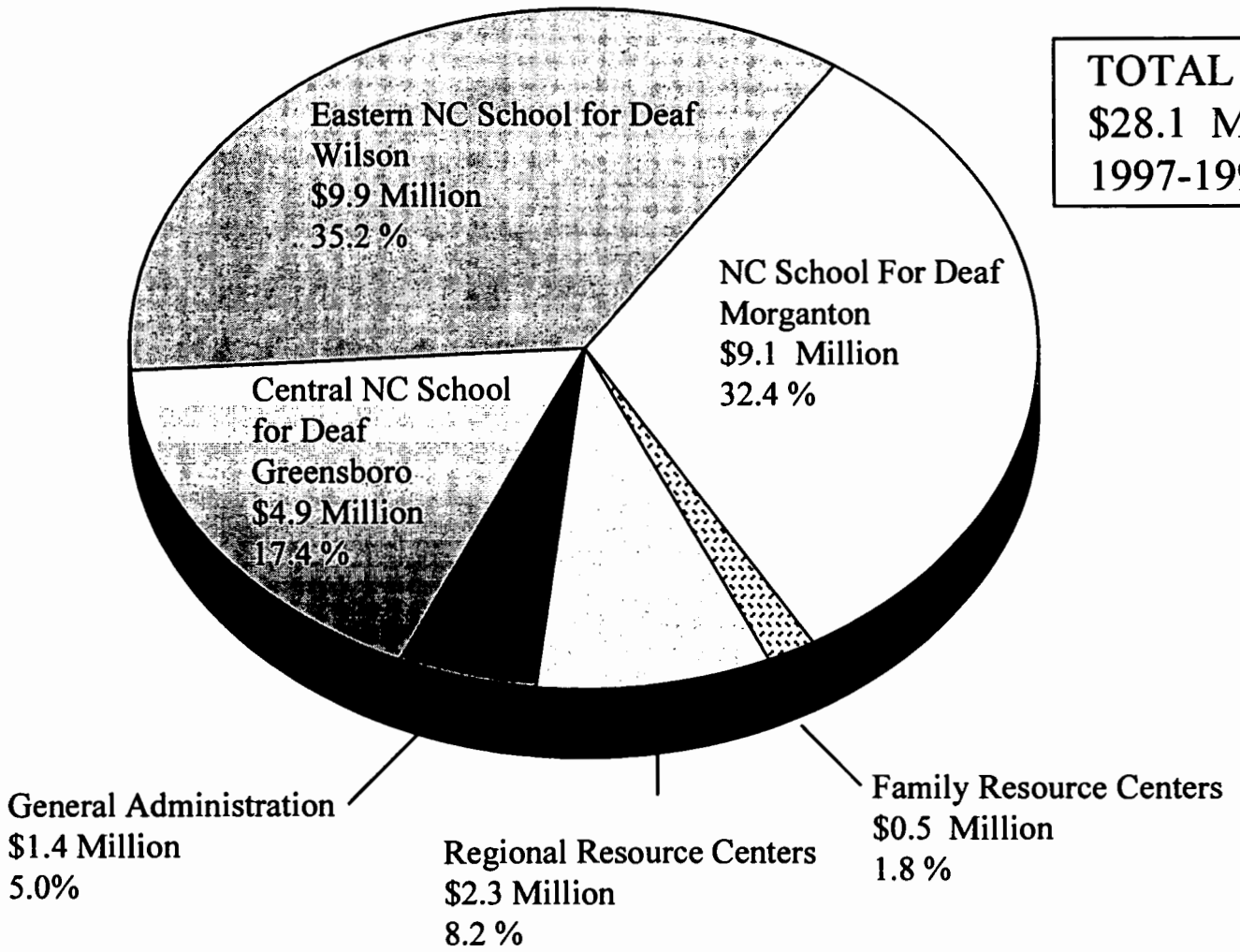
SOURCES OF FUNDS



TOTAL BUDGET
$28.1 Million
1997-1998

DIVISION OF SERVICES FOR THE DEAF/HARD OF HEARING

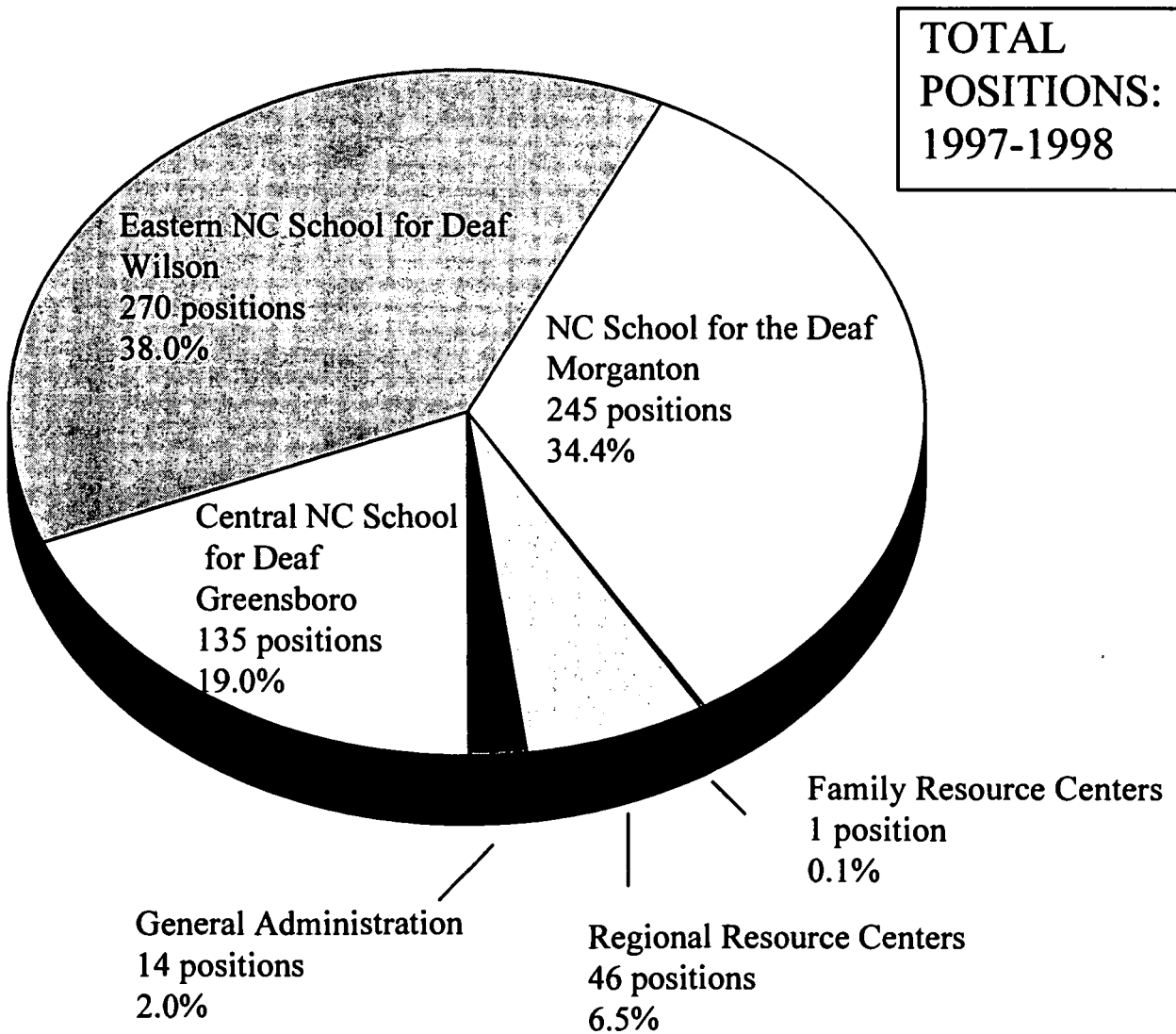
FUNDING BY PURPOSE



TOTAL BUDGET
$28.1 Million
1997-1998

DIVISION OF SERVICES FOR THE DEAF/HARD OF HEARING

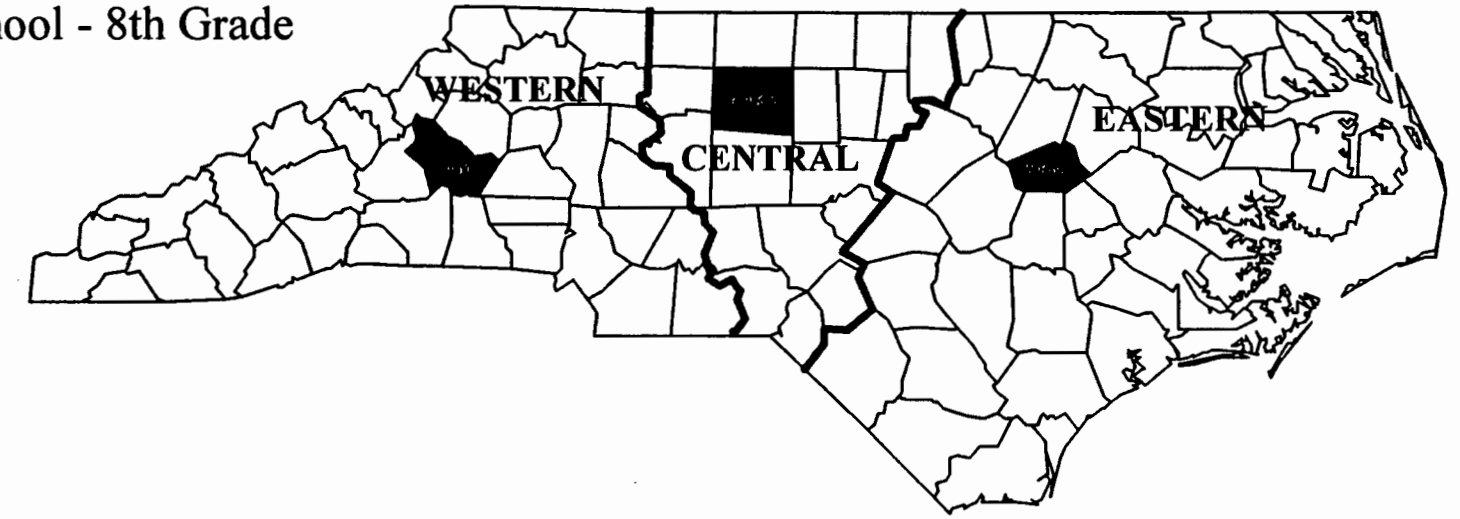
NUMBER OF POSITIONS



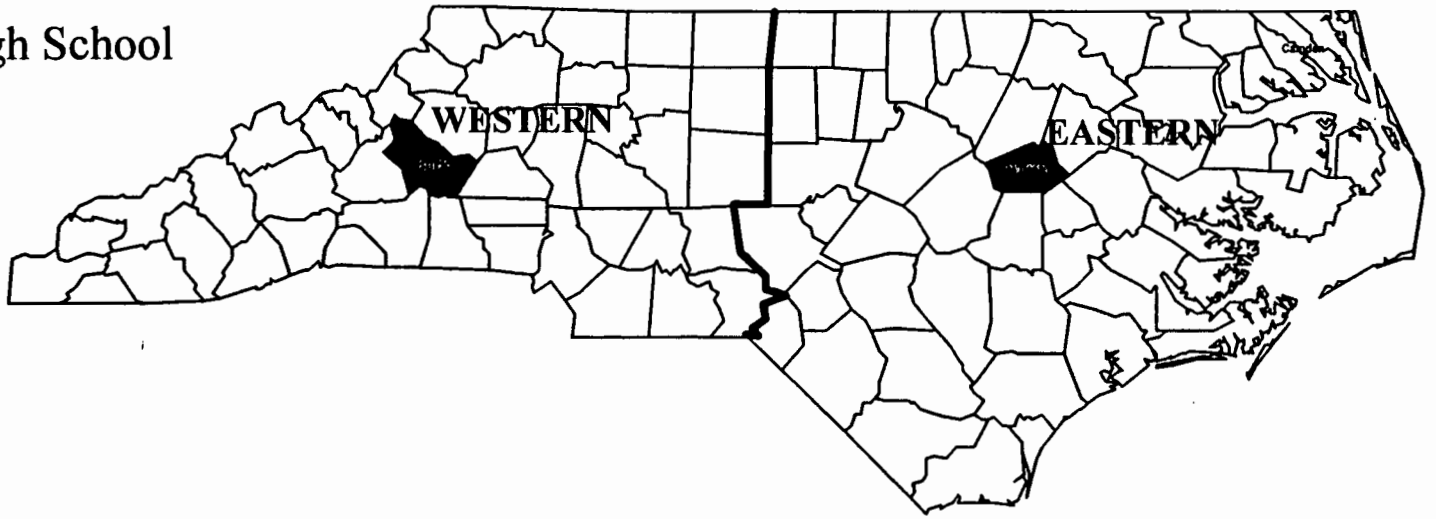
DIVISION OF SERVICES FOR THE DEAF/HARD OF HEARING

REGIONAL ATTENDANCE ZONES

Preschool - 8th Grade



High School



DIVISION OF SERVICES FOR THE DEAF/HARD OF HEARING

SCHOOL ENROLLMENT DATA (as of 12/1/96)

K Through 12

	NCSD		CNCSD		ENCSD		TOTAL	
	94-95	96-97	94-95	96-97	94-95	96-97	94-95	96-97
No. of Students (K-12)	**198**	**156** (-21.2%)	**77**	**83** (+7.8%)	**239**	**221** (-7.5%)	**514**	**460** (-10.5%)
Residential	136	106	56	61	175	161	367	328
Day	62	50	21	22	64	60	147	132
Design Capacity	450 (280 Res.)		240 (128 Res.)		403 (265 Res.)			

Preschool

	NCSD		CNCSD		ENCSD		TOTAL	
	94-95	96-97	94-95	96-97	94-95	96-97	94-95	96-97
No. of Students	**89**	**75**	**68**	**68**	**87**	**78**	**244**	**221** (-9.4%)

DIVISION OF SERVICES FOR THE DEAF/HARD OF HEARING

OPERATING COSTS (1995-96)

K Through 12

	NCSD	CNCSD	ENCSD
Avg Educational Cost/Student	$26,397	$28,635	$25,773
Avg Residential Cost Per Student	$14,542	$13,524	$14,699
Total Cost Per Residential Student	$40,939	$42,159	$40,472

Preschool

	NCSD	CNCSD	ENCSD
Total Expenditures	$959,819	$860,852	$1,115,730
Average Cost Per Student	$10,547	$14,348	$11,157

Total Expenditures Per School

1995-96 Actual Budget:	$8,486,578	$4,329,046	$9,131,945

DIVISION OF SERVICES FOR THE DEAF/HARD OF HEARING

STUDENT PERFORMANCE

1995-96 Senior Class Statistics:

Class Size		39
Diplomas	21 (54%)	
Certificates	18 (46%)	

Post-Secondary Education	14	(36%)
Vocational Training Program	9	(23%)
Job Market	12	(31%)
Other Placement (Group Home, Sheltered Workshop)	4	(10%)

Accountability Measures:

- End of Grade Testing (Grades 3-8)
- Iowa Test of Basic Skills (Ages 9 - 21)
- Brigance
- Portfolio Evaluations (ENCSD)

DIVISION OF SERVICES FOR THE DEAF/HARD OF HEARING

REGIONAL RESOURCE CENTERS

MISSION:

- Provide Interpreter Services Coordination, Employment Assistance, Advocacy, Outreach, Information Access and Referral, Training, Assistive Technology, and Human Services Coordination

STAFFING:

- *Deaf Specialist*
- *Interpreter Support Services Consultant*
- *Deaf/Blind Consultant*
- *Hard of Hearing Specialist*
- *Communication Support Services Consultant*
- *Regional Manager*
- *Office Assistant*

Service Statistics
October - December 1996

To Agencies

	# Agencies	# Services	Info & Referral	Consultation	Tech Assistance	Advocacy
Asheville	221	2,094	1,520	314	140	15
Charlotte	221	840	741	42	9	8
Greensboro	47	53	34	3	n/a	12
Morganton	220	1,101	785	133	38	6
Raleigh	176	355	194	44	41	16
Wilmington	n/a	717	347	147	99	28
Wilson	319	1,522	648	198	56	133

To Individuals

	# Clients	# Services	Info & Referral	Counseling	Skill Dev.	Advocacy
Asheville	108	1,459	1,090	98	63	89
Charlotte	152	360	297	33	2	3
Greensboro	53	74	29	24	n/a	4
Morganton	174	1,250	759	56	156	28
Raleigh	153	325	142	59	4	18
Wilmington	n/a	1,056	582	152	7	33
Wilson	373	1,037	593	87	10	57

DIVISION OF SERVICES FOR THE DEAF/HARD OF HEARING

PERFORMANCE/PROGRAM BUDGET

GOAL: Enable Families and Individuals to Achieve Maximum Self-Sufficiency and Well-Being

Program (2100): Strengthen and Preserve Families and Protect Children From Harm

Element: **Provide Community-Based Services to the Impaired or Disabled and Their Families**

Objective #50: **By the Year 2000, increase by 10% the number of impaired individuals receiving supportive services**
Outcome Measure: Number of Older Adults Satisfied With Services Designed to Provide Greater Independence

Objective #52: **Increase the number of impaired individuals who have equal access to all modes of assistive technology**
Outcome Measure: Number of Individuals Receiving Assistive Technology
Perform. Measure: Number receiving interpreter and other human resource services to help them integrate into society

Objective #53: **By the Year 2000, increase by 5% per year the number of eligible unemployed clients reporting to the RRCs who become gainfully employed**
Outcome Measure: Number of unemployed clients reporting to the RRCs who become gainfully employed

Strategies:
Advocacy Training
Access to Interpreter Services and Assistive Technology
Training for Caregivers/Providers

Innovations:
Specialized Outreach Programs
Internet Access to Web Page of Deaf and Hard of Hearing Services

Division of Services for the Deaf and Hard of Hearing

Program Area:	Human Services
P/PB Goal #1:	Enable families and individuals to achieve maximum self-sufficiency and well-being
Program:	Strengthen and preserve families and protect children for harm
	Provide community-based services to the impaired or disabled and their families

Division of Aging
Division of Services for the Deaf and Hard of Hearing
Division of Social Services
Division of Services for the Blind
Division of Vocational Rehabilitation

The expected outcome is that safe and stable at-home living arrangements for impaired older adults will result in maintenance or improvement of daily functioning, reduced incidence of abuse and neglect, and strengthened family caregiving, that individuals with hearing or vision loss with proper training, assistive aids and appliances, and in-home services can remain independent, and that the number of impaired people requiring institutional care is reduced. Adults with a hearing loss will achieve a greater and more comprehensive level of self advocacy.

P/PB Objective # 51 (2100.50):
By the year 2000, increase by 10% the number of impaired individuals receiving supportive services resulting in maintenance or improvement of daily functioning and living more independently and strengthened family caregiver.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Number of frail older adults receiving supportive services and living independently at home consistent with their ability to function (Aging)	**8,041**	**8,202**	**8,822**	**9,947**	**10,649**	**10,966**
Number of impaired older adults receiving supportive services and living independently at home consistent with their ability to function (Aging)	**NA**	**NA**	**22,522**	**24,500**	**26,000**	**26,500**

Division of Services for the Deaf and Hard of Hearing

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Number of older adults satisfied with services designed to provide greater independence (measure under development) (DSD/HH)	N	N	N	N	N	N
Number of impaired individuals using in-home care and living independently at home consistent with their ability to function. (DSS)	**12,751**	**13,168**	**12,698**	**?**	**13,545**	**13,968**
Number of blind and visually impaired people who can continue to care for themselves in their homes. (DSB)	**5,362**	**5,413**	**5,456**	**5,522**	**5,500**	**5,500**
Number persons with severe disabilities living more independently after receiving services. (DVR)	**449**	**597**	**874**	**850**	**885**	**945**

Description of strategies or activities directed toward this objective:

- Assess the appropriateness of in-home and community-based services for 100% of older or disabled adults seeking assistance (Aging-funds 1110 & 1210, (DSB funds 1315 & 1410, DSD/HH fund 1501, DSS funds 1140, 1180 & 1480, DVR funds 1303 & 1305)
- Support frail or older adults and their caregivers by increasing by 2% per year through 2000, the number receiving home delivered or congregate meals (Aging-funds 1110&1210 and DSS funds 1140, 1180 & 1480)
- Provide training to service providers and family caregivers to be better prepared to serve/care for victims of Alzheimer's disease and other dementia's (Aging funds 1110 & 1210)
- Increase the number of senior centers providing comprehensive health and wellness programs by 2% per year by the year by the year 2000. (Aging funds 1110 & 1210)
- Increase the number of families receiving respite care services (Aging funds 1110&1210)
- Advocacy training programs (DSD/HH fund 1501)
- Access to interpreter services and assistive technology (DSD/HH fund 1501)
- Provide training to caregivers/providers (i.e., doctors, nurses, hospital staff, long term care staff) (DSD/HH fund 1501)
- Provide skill training for a persons adjustment to blindness (DSB Fund 1410)
- Provide adaptive aids and appliances (DSB Fund 1410)

Division of Services for the Deaf and Hard of Hearing

- Provide quality in-home aide services for eligible visually impaired consumers (DSB fund 1315)
- Establish a comprehensive statewide program -- fully staffed and adequately funded to serve eligible persons with severe disabilities with sufficient support services funds to meet demands and maximize independence. (DVR fund 1305)
- Emphasize the total person - physical, psychological, social needs for total integration into their respective communities. (DVR fund 1305)
- Collaborate with other agencies/organizations interested in serving persons with disabilities to utilize resources most effectively and efficiently. (DVR fund 1305)
- Enhance customer satisfaction survey and focus group activity to identify customer satisfaction level, thus improving staff - customer relationships and ensuring consumer choice. (DVR fund 1305)
- Implement policies and procedures to improve service delivery time. (DVR fund 1305)
- Assure the availability of a core set of services needed by functionally impaired adults in all 100 counties (DSS funds 1140, 1180 & 1480).
- Improve access to services, including transportation (DSS funds 1140, 1180 & 1480).
- Maximize the use of Medicaid funding for adult day health care and personal care services (DSS funds 1140, 1180 & 1480).

Innovations:

- [redacted] (DSD/HH fund 1501)
- [redacted] (DSD/HH fund 1501)
- [redacted] (DSD/HH fund 1501)

Division of Services for the Deaf and Hard of Hearing

Division of Services for the Deaf and Hard of Hearing
Division of Vocational Rehabilitation

Expected Outcome:
Deaf, deaf/blind and hard of hearing older adults will have equal access to services through equal access to communications.

P/PB Objective # 53 (2100.52):
Increase the number of impaired individuals who have equal access to all modes of assistive technology.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Number of individuals receiving assistive technology (DSD/HH)	N	N	N	N	N	N
Number of consumers and families served through assistive technology services and support.(DVR)	5,662	5,078	5,629	5,660	5,660	5,660

Description of strategies or activities directed toward this objective:

- Provide assistive technology programs and training (DSD/HH fund 1501)
- Provide interpreter training and assessment and classification programs (DSD/HH fund 1501)
- Maintain Internet access to DSD/HH web page (DSD/HH fund 1501)
- Provide training to caregivers/providers (i.e., doctors, nurses, hospital staff, long term care staff) (DSD/HH fund 1501)
- Develop and disseminate information about Assistive Technology. (DVR fund 1303)
- Establish regional technology resource centers to enable disabled customers and other interested publics to experience the different types of assistive aids/devices before purchasing. (DVR fund 1303)
- Provide individual and program technical assistance. (DVR fund 1303)
- Provide training, funding assistance, and advocacy that enables persons with disabilities to make informed choices regarding personal use of Assistive Technologies. (DVR fund 1303)
- Develop additional referral sources/mechanisms and increase rural and minority outreach activity. (DVR fund 1303)

Division of Services for the Deaf and Hard of Hearing

Expected Outcome:
Decrease the number of clients who receive disability income.

P/PB Objective # 54 (2100.53):
By the year 2000, increase by 5% per year the number of eligible unemployed clients reporting to the Regional Resource Centers who become gainfully employed.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
The number of eligible unemployed clients reporting to the Regional Resource Centers who become gainfully employed.	N	N	N	N	N	N

Description of strategies or activities directed toward this objective:
- Advocacy training programs for consumers and service providers (DSD/HH fund 1501)
- Hard of hearing programs (DSD/HH fund 1501)
- Outreach programs (DSD/HH fund 1501)
- Provide access to interpreter services and assistive technology (DSD/HH fund 1501)
- Continue cooperative programs with DVR, NC Schools for the Deaf, and other agencies (DSD/HH fund 1501)

DIVISION OF SERVICES FOR THE DEAF/HARD OF HEARING

PERFORMANCE/PROGRAM BUDGET

GOAL: Education

Program (7112): **Provide an Effective, High Quality, Equitable System of Public K-12 Schools**

Element: Instruction in Special K-12 Schools

Objectives #106 -109: **Increase Percentage of Students Passing NC Standardized Tests (Grades 3-8) in Reading, Math, Writing, and Computer Literacy**

Outcome Measure: Percentage of non-exempt students passing End of Grade tests

Objective #110: **Increase Percentage of Students Living Independently of Public Assistance One Year After Graduation**

Outcome Measure: Percentage of students, excluding those in college, living independently of public assistance one year after graduation

Objective #111: **Increase, by 5% Per Year, the Number of Exiting Students Successful in Post-School Activities**

Outcome Measure: Percentage of exiting students successful in post-school activities

Strategies:

Provide Appropriate Early Intervention
Stabilize Student Populations
Utilize Staff Development
Recruit and Retain Qualified Personnel
Provide Access to Resources in Personnel, Services, and Materials

Division of Services for the Deaf and Hard of Hearing

Program Area:	Education
Program:	Provide an effective, high quality, equitable system of public K-12 school
Subprogram:	Instruction, K-12
Element:	**Instruction in special K-12 Schools**

Division of Services for the Deaf and Hard of Hearing
Division of Services for the Blind

Expected Outcome:
Students will improve performance on NC standardized tests and will increase literacy levels.

P/PB Objective # 106 (7112.01):
Increase the percent of students passing NC standardized tests in reading, administered in grades 3-8, each year of the 1997-99 biennium

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Percentage of non-exempt students within DSB passing the NC end-of-grade reading tests. (DSB)	**0**	**21.4%**	**12.5%**	**18.75%**	**22.2%**	**40%**
Percentage of non-exempt students within DSDHH passing the NC end-of-grade reading tests. (DSDHH)	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**

Description of strategies or activities directed toward this objective:
- Provide appropriate early intervention (DSD/HH fund 1100)
- Stabilize student populations by numbers and characteristics (DSD/HH fund 1100 and DSB fund 1710)
- Utilize staff development to increase knowledge, improve skills and effect positive change in staff attitudes (DSD/HH fund 1100 and DSB fund 1710)
- Recruit and retain qualified personnel (DSD/HH fund 1100 and DSB fund 1710)

Division of Services for the Deaf and Hard of Hearing

- Provide access to resources in personnel, services, and materials as needed to achieve this objective (DSD/HH fund 1100 and DSB fund 1710)
- Provide assessments and consultations for students in local school districts and technical assistance and training to their teachers and families through the Outreach program. (DSB fund 1710)

Innovations:

- Increased site-based management and empowerment to enhance authority of staff for decision-making.
- Enhancement of communication strategies internal and external to the school and agency.
- Increased child-centered and family-centered strategic planning.

Division of Services for the Deaf and Hard of Hearing

Division of Services for the Deaf and Hard of Hearing
Division of Services for the Blind

Expected Outcome:
Students will improve performance on NC standardized tests and will increase literacy levels.

P/PB Objective # 107 (7112.02):
Increase the percent of students passing NC standardized tests in mathematics, administered in grades 3-8, each year of the 1997-99 biennium

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Percentage of non-exempt students within DSB passing the NC end-of-grade mathematics tests. (DSB)	**5.6%**	**7.1%**	**0**	**18.8%**	**27.8%**	**40%**
Percentage of non-exempt students within DSDHH passing the NC end-of-grade mathematics tests. (DSDHH)	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**

Description of strategies or activities directed toward this objective:
- Provide appropriate early intervention (DSD/HH fund 1100)
- Stabilize student populations by numbers and characteristics (DSD/HH fund 1100 and DSB fund 1710)
- Utilize staff development to increase knowledge, improve skills and effect positive change in staff attitudes (DSD/HH fund 1100 and DSB fund 1710)
- Recruit and retain qualified personnel (DSD/HH fund 1100 and DSB fund 1710)
- Provide access to resources in personnel, services, and materials as needed to achieve this objective (DSD/HH fund 1100 and DSB fund 1710)
- Provide assessments and consultations for students in local school districts and technical assistance and training to their teachers and families through the Outreach program. (DSB fund 1710)

Innovations:
- Increased site-based management and empowerment to enhance authority of staff for decision-making.
- Enhancement of communication strategies internal and external to the school and agency.
- Increased child-centered and family-centered strategic planning.

Division of Services for the Deaf and Hard of Hearing

Division of Services for the Deaf and Hard of Hearing
Division of Services for the Blind

Expected Outcome:
Students will improve performance on NC standardized tests by increasing writing competency levels. Students will demonstrate progress in the area of communication skills development.

P/PB Objective # 108 (7112.03):
Increase by 7% the number of students passing the NC standardized test in writing, administered in grades 4 and 7 in each year of the 1997-99 biennium.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Percentage of non-exempt students within DSB passing the NC standardized tests in writing. (DSB)	**NA**	**12.5%**	**12.5%**	**25%**	**30%**	**41.7%**
Percentage of non-exempt students within DSDHH passing the NC standardized tests in writing. (DSDHH)	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**

Description of strategies or activities directed toward this objective:
- Provide appropriate early intervention (DSD/HH fund 1100)
- Stabilize student populations by numbers and characteristics (DSD/HH fund 1100 and DSB fund 1710)
- Utilize staff development to increase knowledge, improve skills and effect positive change in staff attitudes (DSD/HH fund 1100 and DSB fund 1710)
- Recruit and retain qualified personnel (DSD/HH fund 1100 and DSB fund 1710)
- Provide access to resources in personnel, services, and materials as needed to achieve this objective (DSD/HH fund 1100 and DSB 1710)
- Provide assessments and consultations for students in local school districts and technical assistance and training to their teachers and families through the Outreach program. (DSB fund 1710)

Innovations:
- Increased site-based management and empowerment to enhance authority of staff for decision-making.
- Enhancement of communication strategies internal and external to the school and agency.
- Increased child-centered and family-centered strategic planning

Division of Services for the Deaf and Hard of Hearing

Expected Outcome:
Students will develop computer literacy and useful computer skills.

P/PB Objective # 109 (7112.04)
Increase the percent of students passing the 8th grade NC Computer Literacy Test in each year of the 1997-99 biennium.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Percent of students within DSDHH passing the 8th grade NC Computer Literacy Test	N/A	N/A	N/A	N/A	N/A	N/A

Description of strategies or activities directed toward this objective:
- Stabilize student populations by numbers and characteristics (DSD/HH fund 1100)
- Utilize staff development to increase knowledge, improve skills and effect positive change in staff attitudes (DSD/HH fund 1100)
- Recruit and retain qualified personnel (DSD/HH fund 1100)
- Provide access to resources in personnel, services, and materials as needed to achieve this objective (DSD/HH fund 1100)

Innovations:
- Increased site-based management and empowerment to enhance authority of staff for decision-making.
- Enhancement of communication strategies internal and external to the school and agency.
- Increased child-centered and family-centered strategic planning.
- Connect all classrooms, dormitories, and offices together through the internet and LAN's.

Division of Services for the Deaf and Hard of Hearing

Division of Services for the Deaf and Hard of Hearing
Division of Services for the Blind

Expected Outcome:
Students will increase social skills development and independent living skills. Graduates will decrease dependency on public assistance and become more self-sufficient.

P/PB Objective # 110 (7112.05):
Increase the percentage of students living independent of public assistance one year beyond graduation.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Percentage of students, excluding those in college, living independent of public assistance one year beyond graduation. (DSB)	**0**	**0**	**0**	**0**	**28.5%**	**37.5%**
Percentage of students, excluding those in college, living independent of public assistance one year beyond graduation. (DSD/HH)	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**

Description of strategies or activities directed toward this objective:

- Provide appropriate early intervention (DSD/HH fund 1100)
- Stabilize student populations by numbers and characteristics (DSD/HH fund 1100 and DSB fund 1710)
- Utilize staff development to increase knowledge, improve skills and effect positive change in staff attitudes (DSD/HH fund 1100 and DSB fund 1710)
- Recruit and retain qualified personnel (DSD/HH fund 1100 and DSB fund 1710)
- Provide access to resources in personnel, services, and materials as needed to achieve this objective (DSD/HH fund 1100 and DSB fund 1710)
- Provide assessments and consultations for students in local school districts and technical assistance and training to their teachers and families through the Outreach program. (DSB fund 1710)
- Provide independent living and transition programming (DSD/HH fund 1100)

Division of Services for the Deaf and Hard of Hearing

Division of Services for the Deaf and Hard of Hearing
Division of Services for the Blind

Expected Outcome:
Exiting students will be able to maintain lifestyles of productivity and personal adjustment, as appropriate to age and developmental levels.

P/PB Objective # 111 (7112.06)
Increase by 5% per year for 1996-97 and 1997-98 the number of exiting students successful in post-school activities.

Outcome Measure:

	SFY 93-94 Actual	SFY 94-95 Actual	SFY 95-96 Actual	SFY 96-97 Projected	SFY 97-98 Projected	SFY 98-99 Projected
Percentage of exiting students within DSB successful in post-school activities. (DSB)	**15.8%**	**50%**	**42.1%**	**100%**	**100%**	**100%**
Percentage of exiting students within DSDHH successful in post-school activities. (DSD/HH)	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**

Description of strategies or activities directed toward this objective:
- Provide appropriate early intervention (DSD/HH fund 1100)
- Stabilize student populations by numbers and characteristics (DSD/HH fund 1100 and DSB fund 1710)
- Utilize staff development to increase knowledge, improve skills and effect positive change in staff attitudes (DSD/HH fund 1100 and DSB fund 1710)
- Recruit and retain qualified personnel (DSD/HH fund 1100 and DSB fund 1710)
- Provide access to resources in personnel, services, and materials as needed to achieve this objective (DSD/HH fund 1100 and DSB fund 1710)
- Provide assessments and consultations for students in local school districts and technical assistance and training to their teachers and families through the Outreach program. (DSB fund 1710)
- Provide independent living and transition programming (DSD/HH fund 1100)

Innovations:
- Increased site-based management and empowerment to enhance authority of staff for decision-making.
- Enhancement of communication strategies internal and external to the school and agency.
- Increased child-centered and family-centered strategic planning.

DIVISION OF SERVICES FOR THE DEAF/HARD OF HEARING

LEGISLATIVE ACTIONS 1995-97

	1995-96	***1996-97***
Reductions:		
Privatize Family Resource Centers	($487,444) -12.5	($487,444) -12.5
Position Eliminations		($225,749) -12.25
Expansions:		
Deaf Education Improvements Reserve for curriculum enhancements, expansion of extended school year program, and establishment of programs for behaviorally and emotionally handicapped (BEH) youth and post-secondary enrichment at the residential schools for the deaf.	$500,000	$1,500,000
Cued Speech Center Continue the transition program and expand early intervention services.	$ 95,000 NR	$ 185,000 NR
Other:		
Early Intervention/Prevention Plan		

DIVISION OF SERVICES FOR THE DEAF/HARD OF HEARING
DEAF EDUCATION IMPROVEMENTS

			1996-97	1997-98
1. Technology			**$360,000** ($120,000/school)	**$300,000** ($100,000/school)
2. Staff for Curriculum Enhancements:			**$215,000**	**$295,000**
1996-97	Computer Technicians	(ALL)	(6)	(8)
	Communication Specialist	(ENCSD)		
	Staff Development Technician	(CNCSD)		
	Speech Pathologist	(CNCSD)		
1997-98	Computer Teacher	(CNCSD)		
	Occupational Therapist	(CNCSD)		
3. Staff Development			**$120,000** ($40,000/school)	**$132,000** ($44,000/school)
4. Educational Supplies			**$225,000** ($300/child)	**$112,500** ($150/child)
5. Telecommunication Needs			**$ 35,000** ($15,000/school)	**$ 15,000** ($5,000/school)
6. Information Super Highway			**$ 55,000**	**$ 55,000**
7. Expansion of Extended School Year ($30,000 each school)			**$ 90,000**	**$ 90,000**
8. Equipment/Furniture Replacement			**$200,000**	**$ 0**
9. Behaviorally and Emotionally Handicapped Program **(7 Days/Week, Year Round)**			**$200,000**	**$500,500** (15)
			(Start-up)	(Operating)
Total Cost of Enhancements			**$1,500,000** (6)	**$1,500,000** (23)

DIVISION OF SERVICES FOR THE DEAF/HARD OF HEARING
CAPITAL PROJECTS 1995-97

CAPITAL IMPROVEMENTS:	**1995-96**	**1996-97**	**Status**
Student Activity/Recreation Complex at Eastern NC School for Deaf (Phase II)	$ 712,000	$ 488,000	Design
REPAIRS AND RENOVATIONS:			
NCSD (Morganton)			
- Renovate Main Building	$4,520,400		Design
- Renovate Hoffmeyer Hall (Behaviorally & Emotionally Handicapped Program)	$ 742,700		Design
- Chiller Plant and Refrigerant Study and Replacement	$ 10,000	$ 462,000	Design
- Life Safety Code Corrections		$ 336,700	Planning
CNCSD (Greensboro)			
- Re-Roofing	$ 200,000		Ongoing
- New Gym Floor	$ 29,800		Complete
- Carpet Replacement	$ 272,300		Construction
- Chiller Plant and Refrigerant Study and Replacement	$ 10,000	$ 30,000	Planning
ENCSD (Wilson)			
- Replace Heating, Ventilation, & Air Conditioning System in McAdams Building	$ 844,600		Design
- Renovate Vestal Hall (Independent Living Program)		$ 100,000	Complete

DIVISION OF SERVICES FOR THE DEAF/HARD OF HEARING

BEGINNINGS For Parents of Hearing Impaired Children, Inc.

MISSION:

- Provide parents with balanced and objective information regarding all communication modalities and educational placement options
- Provide emotional support to parents
- Train and assist professionals working with hearing-impaired children
- Promote establishment of infant hearing screening programs
- Serve as Ombudsman in IEP/IFSP negotiations when requested

STAFFING:

Raleigh Office
Program Director
Parent Educator
Audiologist
Media Specialist/Secretary

Morganton Office
Parent Educator/Manager
Outreach Specialist
Learning Specialist
Media Specialist/Secretary

Performance Audit Conclusion *(1995-96):* "Evidence obtained...indicates that the decision by the Legislature to move in this direction for delivery of services was a wise investment both for the state and the clients receiving the service - that is, a majority of potential clients were reached and satisfied at a lower program cost than previously encountered achieving both efficiency and effectiveness."

BEGINNINGS For Parents of Hearing Impaired Children, Inc.
Programmatic Report **FOR YEAR 1995-1996**

FAMILY SUPPORT

Center Location: __BEGINNINGS_____ YEAR: **1995-1996**
 # New Family Contacts: 1163 **# Follow-up Contacts:** 757 **TOTAL Contacts:** 1920
Out of State: 87

Totals reflect all four quarters.

Due to the incompatibility of forms used the 1st quarter with the remaining quarters, the following data reflects 2nd, 3rd, and 4th quarters only.

Child's Age:	89	0-2	92	3-5	76	6-9	42	10-13	25	14-17	3	18-21	566	Not given							
Hearing Loss:	12	None	24	Mild	56	Mod	70	Sev	99	Prof	602	Ukn									
Other Challenge:	109	None	31	Cog	13	Emt	16	Orth	8	Vis	40	Other	647	Ukn	0	LD	2	ADD			
Method Used:	6	ASL	0	AV	13	CS	81	OR	92	TC	2	VT	9	Other	147	UD	131	Ukn			
New Method:	0	ASL	0	AV	1	CS	12	OR	8	TC	0	VT	0	NA	41	UD	95	Ukn			

Information/Technical Assistance Requested:

54	Audiol	22	Comm	63	Placemnt	29	Social	76	Ed.Rights
64	IEP	11	Equip	49	Local Resource	251	Center Services	86	Parent Manual
18	Par.Persp.Video	26	Comm.Options Video	64	Other				

Services/Consultation Requested:

54	Audiol.	59	Comm.	138	Placement	250	Educational	73	Social
153	Family Needs	64	Observation	93	Psych.	49	Behavioral	176	Prog.Plan.
5	Inservice	63	Home Visit	356	Emot.Supp.	56	Ombudsmn	13	Equipment
50	Legal	43	Referral	25	Other				

Resources:	Sought	In Process	Obtained
Agency Support	566	73	562
Community Involvement	54	15	64
Infant Program	22	4	12
Parent Training	39	1	36
Preschool	21	9	27
School Services: Resource	31	24	47
Self-Contained	31	20	58
Main/Inclusion	58	44	54
Residential	24	20	10
Private	6	6	0
Interpreter/Translit	19	19	16
Support Services: Speech	31	9	91
Auditory Training	8	2	25
Occup. Therapy	5	2	41
Physical Therapy	3	0	44
Amplification	40	19	119
Other:	56	39	28

BEGINNINGS for Parents of Hearing Impaired Children, Inc.
Programmatic Report **FOR YEAR 1995-1996**

PROFESSIONAL SUPPORT

Total # **New** Professional Contacts:	2640	Total # **Follow-up** Professional Contacts:	907
TOTAL # Professional Contacts:	3822*		
# Evaluations Completed:	20		
# Evaluations In-Process:	39	Total # Students: (not included in totals)	130

*includes 275 total professionals from 1st quarter.

Due to the incompatibility of forms used the 1st quarter with the remaining quarters, the following data reflects 2nd, 3rd, and 4th quarters only.

Types of Services Requested:

95	Observation	172	Program Planning	29	Video: Parental Perspectives
377	Consultation	361	In-Service	32	Video: Communication Opt.
32	Ombudsman Role	152	Resource Referral	129	Educational
39	Parent Training	132	Family Support	14	Legal
41	Audiological Management	142	Evaluation	45	Referral
79	Parent Manual	244	Other		

If service could not be provided, please reference and explain why services could not be provided: _____

_____

_____

IEP/IFSP Meetings Attended: (list these under meetings below)

Age of Student [ ] 0-2 [2] 3-5 [10] 6-9 [2] 10-13 [2] 14-17 [ ] 18-21

Presentations or Workshops:

Agency(ies): Topics:

Total # Professionals: 774 Total # Parents: 165 Total # Students: 50

Exhibits/Public Relations:

Agency(ies): Topics:

Total # Professionals: 470 Total # Parents: 929 Total # Students: 22

Meetings Attended:

Agency(ies): Topics:

Total #Professionals: 2097 Total #Parents: 2182 Total # Students: 10

DIVISION OF SERVICES FOR THE DEAF/HARD OF HEARING

ISSUE

Early Intervention/Prevention

- Federal law (P.L. 102-119 Part H) and State law [G.S.122C-11(a)] entitle infants and toddlers (birth to 2 years) with disabilities to:

  -- appropriate early intervention services
  -- provided by qualified personnel
  -- in natural environments with typically developing children
  -- at no cost
  -- in accordance with their Individualized Family Service Plan

- By Interagency Agreement, the Division of Services for the Deaf and Hard of Hearing is the lead agency for providing and funding hearing-related services in the Infant-Toddler program

Identified Need:

- Extend preschool program from 10 months to 12 months for ages 0 to 2 years
- Increase services to two hours/day, two days/week

VISITOR REGISTRATION SHEET

Committee: Human Resources Date: Mar 6, 1995

VISITORS: Please sign below and return to Committee Clerk.

NAME	FIRM OR STATE AGENCY AND ADDRESS
J Randall Collins	DSDHH
Tommy Wertt	Carolinas HealthCare System
Mark Whisenant	DSDHH
[illegible]	NCARF
O J Craig Grant	DSD/HH (DHR)
Melvin Lee	DSD/HH
Whitney Obrig	DMHDDSAS
Len Ray	DSDHH
Will Lindsay	DHR- Budget + Analysis
W Upchurch	OSBM
N Meadows	OSBM
Ed Cochran-Brown	DHR - Budget + Analysis
H G Revell Jr.	DHR "
John Earl	DHR
Phillip Wilson	DMHDDSAS
Mike Pridgen	"
Don Willis	"
Steve Johnson	"
John Bowdish	Zeb Alley PA.
Carmen Hooker Buell	Carolinas HealthCare System
Gail Rhodes	OSBM
David Stanwick	OSBM
Bryan K. Harris	OSBM

HOUSE APPROPRIATIONS SUBCOMMITTEE FOR HUMAN RESOURCES

Minutes
March 18, 1997
8:30 AM, Room 424

The North Carolina General Assembly House Appropriations Subcommittee on Human Resources met jointly with the Senate Appropriations Subcommittee on Tuesday, March 18, 1997, at 8:30 A.M. in room 424 of the Legislative Office Building.

House Co-Chairperson Representative, Debbie Clary presided. Other House members present were:

Representative Charlotte Gardner, Co-Chairperson
Representative Lanier Cansler, Co-Chairperson
Representative Alma Adams
Representative M.W. Henry Aldridge
Representative J.W. Hurley
Representative Cindy Watson

Representative Martha Alexander had an excused absence. All Senate members were present.

Representative Clary called the meeting to order at 8:30. Pages were introduced and Carol Shaw from Fiscal Research was asked to present the Adult Care Home Initiative. Ms. Shaw began with the 1995 Legislation concerning Senate Bill 864 which required Adult Care Homes to submit annual audited reports of actual costs and required DHR to adopt rules to ensure quality of care in Adult Care Homes, and she provided data on Adult Care Home Reimbursement. Her presentation of Adult Care Home Initiatives touched on topics of training, case management, monitoring and quality assurance, staffing and expenditure data.

The Representatives and Senators contributed to the overview with questions concerning suppliers of Mental Health needs, training of staff, equipment, who is eligible for adult care services, follow-up of case manager on recommendations of special services needed, case manger case load, training and qualifications of case manager, crossover in services, and family involvement of case and care provided.

The Committee received comments and answers to the Members' questions from Lynda McDaniel, Director of Division of Facility Services, John Tanner, from Adult and Facility Services, and Jim Edgerton, Assistant Secretary for Budget and Management from the Human Resource Department.

Nearing the time for adjournment and reaching a convenient stopping point in the overview, Ms. Shaw suggested that the presentation be continued in the afternoon meeting.

Representative Clary announced that the Committee would meet in the afternoon of this date fifteen minutes after the adjournment of the later House and Senate Sessions.

The meeting was adjourned at 9:30 A.M.

Respectfully submitted,

Debbie Clary

Presiding Co-Chairperson - Representative Debbie Clary

Mary Jamison

Mary Jamison, Clerk

Attachment I	Agenda
Attachment II	Adult Care Initiative
Attachment III	Adult Care Cost Reporting
Attachment III	Visitor Registration

HOUSE APPROPRIATIONS SUBCOMMITTEE FOR HUMAN RESOURCES

Minutes
March 18, 1997
Afternoon Session, Room 424

The North Carolina General Assembly House Appropriations Subcommittee on Human Resources met jointly with the Senate Appropriations Subcommittee on Tuesday, March 18, 1997, at 4:00 P.M. in room 424 of the Legislative Office Building.

House Co-Chairperson Representative, Debbie Clary presided. Other House members present were:

Representative Charlotte Gardner, Co-Chairperson
Representative Lanier Cansler, Co-Chairperson
Representative Alma Adams
Representative M.W. Henry Aldridge
Representative Edd Nye, Ranking Minority Member
Representative Cindy Watson

Representative Martha Alexander had an excused absence. All Senate members were present.

Representative Clary called the meeting to order at 4:08. Pages were introduced and Carol Shaw from Fiscal Research continued with her presentation on Adult Care Home Initiative.

The Representatives and Senators contributed to the overview with questions concerning certificates of need, explanation of 34% increase in expenditures, eligibility clarification, handling of any income for the patient, and advantages of this program versus Medicaid. Jim Edgerton, Assistant Secretary for Budget and Management from the Department of Human Resources gave a presentation of Adult Care Cost Reporting prepared by DHR. Members responded to this presentation with comments and questions concerning budget projections, private pay and cost analysis.

The Committee received comments and answers to the Members' questions from John Tanner, from Adult and Facility Services, and Jim Edgerton, Assistant Secretary for Budget and Management from the Human Resource Department.

Upon completion of the presentation and all questions answered satisfactorily, Representative Clary announced that the Committee would convene in the morning at 8:30.

The meeting was adjourned at 5:25 P.M.

Respectfully submitted,

Debbie Clary

Presiding Co-Chairperson - Representative Debbie Clary

Mary Jamison

Mary Jamison, Clerk

Attachment I	Agenda
Attachment II	Adult Care Initiative
Attachment III	Adult Care Cost Reporting
Attachment IV	Visitor Registration

Attachment 1

AGENDA

Joint Subcommittee on Human Resources Appropriations

Legislative Office Building - Room 424
Tuesday, March 18, 1997
8:30 am

Adult Home Care Initiative

Carol Shaw, Fiscal Research Division

Adult Care Home Cost Reporting

Jim Edgerton, Department of Human Resources

Attachment 2

DEPARTMENT OF HUMAN RESOURCES

ADULT CARE HOME INITIATIVE

FISCAL RESEARCH DIVISION
MARCH 1997

ADULT CARE HOME LEGISLATION

1995 LEGISLATION

- Senate Bill 864 which required Adult Care Homes to submit annual audited reports of actual costs and required DHR to adopt rules to ensure quality of care in Adult Care Homes.

- Section 23.10 of the Appropriations Act which established a new method for reimbursing Adult Care Homes which combined the traditional State/County Special Assistance funding with funds from Medicaid.

SENATE BILL 864

SUMMARY OF LEGISLATION

- Required Adult Care Homes, except for family care homes, to submit annual audited cost reports. Family care homes are exempted from the audit requirement. These reports will be used to adjust the adult care home rate annually.

- Required the Social Services Commission to adopt the following rules to ensure the quality of care in Adult Care Homes:

    - Client Assessment and independent case management
    - Training requirements for personal care aides
    - Monitoring and supervision of residents
    - Oversight and quality of care

SECTION 23.10 OF THE APPROPRIATIONS ACT

SUMMARY OF THE 1995 SPECIAL PROVISION

- Used existing State/County Special Assistance and federal Medicaid funding to support increased staff and support costs for rate setting and auditing requirements, increased monitoring, and case management services.

- Reimburses through Medicaid (a) one hour basic personal care services for residents of adult care homes and (b) enhanced personal care services for an estimated 20% of residents who require additional care.

- Used state and county funding "freed up" to draw down federal Medicaid funding and increase reimbursement for adult care homes by 10%.

- Provided one-time training funds for adult care home staff.

ADULT CARE HOME REIMBURSEMENT

NEW SYSTEM OF PAYMENT

- Reduced the monthly State/County Special Assistance rate from $990 per resident to $844 per resident. The rate was increased to $874 per month during the 1996 Session.

- Provides Medicaid reimbursement for one hour of personal care services per day to all Medicaid eligible residents which equals to $245 per month per resident.

- Provides additional reimbursement for enhanced personal care services for residents which have been identified as needing assistance with toileting and eating which ranges from $85 to $326 per month per resident.

- Total monthly reimbursement ranges from $1119 for residents receiving basic personal care services to $1,446 receiving enhanced personal care services for toileting and eating.

SPECIAL ASSISTANCE AND PERSONAL CARE REIMBURSEMENT RATES

Special Assistance/Personal Care Service Type	1994-95	1995-96	$ Increase Over 1994-95	% Increase Over 1994-95	1996-97	$ Increase Over 1994-95	% Increase Over 1994-95
SA plus Basic PCS	$ 990	$ 1,089	$ 99	10%	$ 1,119	$ 129	13%
SA plus Basic and Eating	$ 990	$ 1,331	$ 185	34%	$ 1,361	$ 371	37%
SA plus Basic and Toileting	$ 990	$ 1,175	$ 341	19%	$ 1,205	$ 215	22%
SA plus Basic and E&T	$ 990	$ 1,416	$ 426	43%	$ 1,446	$ 456	46%

ADULT CARE HOME FUNDING

1996 LEGISLATIVE CHANGES

- Increased the State/County Special Assistance payment from $844 per month to $874 -- A 3% rate increase.

- Reduced projected Medicaid expenditures for Personal Care Services by $15.5 million because of a lower estimate on the number of eligibles.

- Established a $1 million Fire Protection Revolving Loan Fund for Adult Care Homes, Group Homes and Nursing Homes.

ADULT CARE HOME INITIATIVE

MAJOR ACTIVITIES

- Training
- Case Management
- Monitoring and Quality Assurance
- Staffing
- Expenditure Data

ADULT CARE HOME INITIATIVE

TRAINING

- SB 864 requires that adult care home staff providing personal care and their direct supervisors must be trained.

- Types of Training:
  - Adult Care Homes with 7 or more residents - 40 hours
  - Homes for the Developmentally Disabled Adult - 40 hours
  - Family Care Homes - 20 hours
  - For staff performing or directly supervising special health-related personal care tasks - 75 hours for all homes

- Source of Training: Community Colleges and 82 programs approved by the Division of Facility Services based on criteria established in rule

- Funding: $2,800,000 one-time state funding appropriated for 1995-96 which was made available to all facilities

ADULT CARE HOME INITIATIVE

TRAINING

- Training Time Frame: Must be completed by October 1, 1996 or six months after hiring

- Status of Training: 7,622 Adult Care aides and supervisors were reported as needing training

    - 44% have completed training
    - 11% are currently in training
    - 23% are scheduled for training
    - 22% are untrained and unscheduled

- Adult home specialists in county departments of social services are monitoring for facility compliance with training requirement.

ADULT CARE HOME INITIATIVE

CASE MANAGEMENT

- Adult Care home residents who are eligible for enhanced personal care services are also eligible for case management services. Eligibility is based on residents needing assistance with toileting and eating.

- Case managers determine whether a resident is eligible for enhanced personal care services, reviews the adult care home's plan of service for the resident, and determines whether resident needs other services available in the community

- Adult Home case management can be provided by county departments of social services or area mental health programs. 95% of the clients are being served by county departments of social services.

- Implementation of case management occurred in two phases:
  - Phase One: Verifying eligibility for enhanced personal care services began January 1, 1996 and was ongoing through June.
  - Phase Two: Case managers began assessing the social and health needs of residents and developing service plans to meet unmet needs. These activities are ongoing.

ADULT CARE HOME INITIATIVE

CASE MANAGEMENT

- Local Administration: 85 counties are providing case management services; the other 15 counties have no enhanced care residents or no adult care facilities

- Workload: Number of enhanced care residents per county varies, ranging from 1 resident to 166 residents. 132 case managers, representing 48.5 full-time equivalent positions are providing case management services. During the first six months of 1996-97, 3,587 residents received case management services

- Funding: $5,145,120 is budgeted for case management (50% federal, 255 state, and 25% county). $2,000,000 in expenditures are projected to be spent for 1996-97.

ADULT CARE HOME INITIATIVE

MONITORING AND QUALITY ASSURANCE

- SB 864 enabled the Division of Facility Services to increase the consistency and frequency of its monitoring of adult care homes in the state

- Additional staff were hired to conduct annual surveys of each adult care home with seven or more beds and begin targeting three major problem areas: nursing, medication administration, and food services

- Purpose of Annual Survey:
  - Ensure a through inspection is conducted by state staff
  - Serve as a basis for working with county departments of social services to develop a monitoring plan and schedule for the year

- During 1995-96, the Division of Facility Services conducted annual surveys of every adult care home with seven or more beds (475 survey visits)

ADULT CARE HOME INITIATIVE

STAFFING

- The 1995 Special Provision for the Adult Care Home Initiative allowed DHR to use existing State/County Special Assistance and federal Medicaid funding to support increased staff and support costs for rate setting and auditing requirements, increased monitoring, and case management services.

- During 1995-96, 29.5 positions were created and placed in the following Divisions to fulfill the requirements of the Adult Care Home Initiative: Facility Services, Social Services, Medical Assistance, Controller's Office, and DHR Internal Audit.

- During the 1996 Session, the General Assembly eliminated 4.5 positions of the original 28.5 at the request of DHR.

STAFFING FOR ADULT CARE HOME INITIATIVE

Division	Number of Positions 1995-96	1996-97
Facility Services	13.5	10
Social Services	6	6
Controller's Office	2	2
DHR Internal Audit	4	4
Medical Assistance	3	2
Total DHR Positions	**28.5**	**24**

STAFFING FOR ADULT CARE HOME INITIATIVE
PURPOSE OF POSITIONS

- **Division of Facility Services**
  - Coordinate implementation of SB 864. Develop a standardized resident assessment instrument and provide training to staff in facilities around resident assessment care plan. Develop information system to support improvements and evaluate program effectiveness.

  - Conduct annual inspections of each adult care home with 7 residents or more and work with county DSSs to develop a monitoring and enforcement plan specific to each facility. Develop and administer training and competency direct care aides in adult care homes. Provide technical assistance and consultation to facilities and professional support to target three major problem areas: nursing services, food services, and medication.

- **Division of Social Services**
  - Develop and administer case management program for enhanced care residents. Provide training for case managers and staff in facilities on case management issues. Provide consultation and technical assistance to local staff providing adult care case management

STAFFING FOR ADULT CARE HOME INITIATIVE

PURPOSE OF POSITIONS

- **Controller's Office**
  - Develop and oversee collection of cost reports. Develop rate algorithm for State/County Special Assistance and calculate rates.

- **DHR Internal Audit**
  - Perform audits on facilities of six or fewer beds. Provide technical assistance to CPAs and Accountants performing audits of adult care homes.

- **Division of Medical Assistance**
  - Manage Personal Care Services policy and reimbursements. Provide technical assistance to facilities and local case management staff.

ADULT CARE HOME INITIATIVE

EXPENDITURE DATA

BUDGET INFORMATION FOR ADULT CARE HOME INITIATIVE

Program	Authorized 1995-96	Actual 1995-96	Authorized 1996-97	Projected 1996-97
State/County Special Assistance	$ 92,026,634	$ 92,255,236	$ 97,158,703	$ 96,026,065
Basic Personal Care Services	$ 57,072,015	$ 41,204,829	$ 61,844,768	$ 48,579,798
Enhanced Personal Care Services	$ 10,252,935	$ 4,350,347	$ 8,433,017	$ 13,573,500
Local Case Management	$ 4,287,600	$ 530,274	$ 5,145,120	$ 2,000,000
Aide Training	$ 2,259,439	$ 2,615,907	$ -	$ -
Wrap Around Services	$ 605,620	$ 605,620	$ 605,620	$ 605,620
DHR Positions	$ 1,569,858	$ 1,569,858	$ 1,548,979	$ 1,548,979
TOTAL	**$ 168,074,101**	**$ 143,132,071**	**$ 174,736,207**	**$ 162,333,962**

PAYMENTS TO ADULT HOME CARE PROVIDERS

Program	Actual 1994-95	Actual 1995-96	Authorized 1996-97	Projected 1996-97
State/County Special Assistance	$ 119,718,050	$ 92,255,236	$ 97,158,703	$ 96,026,065
Basic Personal Care Services	$ -	$ 41,204,829	$ 61,844,768	$ 48,579,798
Enhanced Personal Care Services	$ -	$ 4,350,347	$ 8,433,017	$ 13,573,500
Aide Training	$ -	$ 2,615,907	$ -	$ -
Medicaid Transportation	$ 613,576	$ 2,951,360	$ 5,778,240	$ 3,273,451
Total Payments	**$ 120,331,626**	**$ 143,377,679**	**$ 173,214,728**	**$ 161,452,814**
% Increase over 1994-95		**19.3%**	**45.0%**	**34.2%**

UTILIZATION OF PERSONAL CARE SERVICES

Number of Eligibles for 1996-97

Personal Care Service Type	Initial Estimate 1996-97 a/	Current Estimate 1996-97 b/	Average Monthly Clients 1996-97 YTD c/
Basic Care Only	17,563	16,153	15,126
Basic and Enhanced Care	4,391	4,843	2,667
Total Basic and Enhanced	**21,954**	**20,996**	**17,793**
Toileting	N/A	3,523	1,785
Eating	N/A	329	42
Eating and Toileting	N/A	991	840
Enhanced Care Total	**4,391**	**4,843**	**2,667**

Expenditures for 1996-97

Personal Care Service Type	Authorized Budget 1996-97	YTD Expenditures 1996-97 d/
Basic Care Only	$ 61,844,768	$ 31,717,818
Basic and Enhanced Care	$ 8,433,017	$ 9,045,635
Total Basic and Enhanced	**$ 70,277,785**	**$ 40,763,453**

Notes:

a/: Initial projections before implementation based on 20% of the Adult Home population needing enhanced care.

b/: Current projections based on actual implementation which limits enhanced care to residents needing assistance with eating and toileting.

c/: Average number of clients receiving enhanced care as of February 28, 1997.

d/: Expenditures as of February 28, 1997.

ADULT CARE HOME INITIATIVE

GOVERNOR'S BUDGET PROPOSAL

ADULT CARE HOME INITIATIVE

GOVERNOR'S BUDGET PROPOSAL
STATE/COUNTY SPECIAL ASSISTANCE

- The Governor's continuation budget proposal for State/County Special Assistance includes significant increases -- $6,026,704 for 1997-98 and $12,750,205 for 1998-99.

- The increases are based on the following assumptions;
  - 4% increase in utilization each year of the biennium
  - 2.2% increase in inflation for 1997-98
  - 2.5% increase in inflation for 1998-99

- The inflation rates are based on information from the audited cost reports for 1995 and the use of OSBM inflation rates for labor costs, fixed costs and other costs.

- The current State/County Special Assistance monthly rate is $874. The Governor's proposal would increase the monthly rate to $893 for 1997-98 and $916 for 1998-99.

- Utilization increases have always been built into the continuation budget, but inflation or any other increases in State/County Special Assistance rates have always been considered through the expansion process.

ADULT CARE HOME INITIATIVE

GOVERNOR'S PROPOSAL
PERSONAL CARE SERVICES

- The Governor's continuation budget proposal for Adult Care Home - Personal Care Services includes the following increases: $3,866,795 for 1997-98 and $8,243,373 for 1998-99.

- The increases are based on the following assumptions:
  - 3.17% increase in inflation for 1997-98
  - 3.50% increase in inflation for 1998-99
  - 2.53% average increase in utilization for 1997-98
  - 2.58% average increase in utilization for 1998-99

- The current hourly rate for Adult Care Home - Personal Care Services is $8.07. Under the Governor's proposal, the hourly rate would increase to $8.33 for 1997-98 and $8.62 for 1998-99.

- The inflation increases will not be automatic because the Health Care Financing Administration will not allow an increase in the hourly personal care rate until a time/motion study for the provision of personal care services is completed. The study is on-going and will be completed in September 1997.

- Utilization and inflation increases are usually built into the Medicaid budget for all services provided.

GOVERNOR'S PROPOSAL FOR THE 1997-99 BIENNIUM

INCLUDES UTILIZATION INCREASES AND INFLATION INCREASES.

Program	Projected 1996-97	Recommended 1997-98	Recommended 1998-99
State/County Special Assistance	$ 96,026,065	$ 103,254,644	$ 109,881,174
Basic Personal Care Services	$ 48,579,798	$ 51,720,194	$ 55,280,133
Enhanced Personal Care Services	$ 13,573,500	$ 14,299,899	$ 15,116,338
Medicaid Transportation	$ 3,273,451	$ 3,477,996	$ 3,709,574
Total Payments	**$ 161,452,814**	**$ 172,752,733**	**$ 183,987,219**
% Increase over 1996-97		**7%**	**14%**

INCLUDES UTILIZATION INCREASES AND NO INFLATION

Program	Projected 1996-97	Recommended 1997-98	Recommended 1998-99
State/County Special Assistance	$ 96,026,065	$ 101,005,846	$ 104,993,368
Basic Personal Care Services	$ 48,579,798	$ 50,131,040	$ 51,770,325
Enhanced Personal Care Services	$ 13,573,500	$ 13,860,520	$ 14,156,701
Medicaid Transportation	$ 3,273,451	$ 3,371,131	$ 3,473,950
Total Payments	**$ 161,452,814**	**$ 168,368,537**	**$ 174,394,344**
% Increase over 1996-97		**4.3%**	**8.0%**

ADULT CARE HOME INITIATIVE

IMPACT OF GOVERNOR'S PROPOSAL

- The Governor's continuation proposal for increasing payments to Adult Care Homes results in the following increases: $11,299,919 for 1997-98 and $22,534,405 for 1998-99.

- Elimination of the inflation increases results in a much smaller increase in payments to Adult Care Homes: $6,915,723 for 1997-98 and $12,941,530 for 1998-99.

- If the Governor's continuation budget proposal for Adult Care Homes is approved, payments to Adult Care Homes will increase by 53% in 1998-99 when compared to 1994-95 -- the last year under the old system of payment.

ADULT CARE HOME INITIATIVE

POLICY QUESTIONS

- Inflation increases for State/County Special Assistance
  - Continuation or Expansion?

- Case management funding
  - Potential $2,000,000 reduction?

- Cost Reporting
  - Do the 1996 cost reports justify further increases in rates for adult care homes?

Attachment

ADULT CARE

COST REPORTING

MARCH 18, 1997

PREPARED BY DHR

SENATE BILL 864 PASSED IN THE 1995 SESSION REQUIRES:

COST REPORTS TO BE UTILIZED TO "ADJUST THE DOMICILIARY (ADULT CARE HOME) HOME RATE ANNUALLY, AN ADJUSTMENT THAT IS IN ADDITION TO THE ANNUAL STANDARD ADJUSTMENT FOR INFLATION AS DETERMINED BY THE OFFICE OF STATE BUDGET AND MANAGEMENT."

HOW MANY ADULT CARE HOMES/BEDS DO WE HAVE?

TYPE	REPORT PERIOD # HOMES	# BEDS	PERCENT
Homes for the Aged	479	23,210	66%
Family Care Homes	760	4,007	11%
Developmentally Disabled Adults	217	1,238	4%
Combined (Nursing Home/Hospital)	232	5,723	16%
Mental Health 122C Facility	269	1,102	3%
TOTALS	**1,957**	**35,280**	**100%**

TO ASSIST THE DEPARTMENT OF HUMAN RESOURCES IN SETTING THE ADULT CARE RATE, SENATE BILL 864 REQUIRES:

⇒ ANNUAL COST REPORTS

⇒ EXCEPT FOR FAMILY CARE HOMES, REQUIRE ADULT CARE HOMES WITH 7-20 BEDS TO SUBMIT AUDITED COST REPORTS AT LEAST EVERY TWO YEARS (1996 IS A NON-AUDIT YEAR)

⇒ EXCEPT FOR FAMILY CARE HOMES, REQUIRE ADULT CARE HOMES WITH 21+ BEDS TO SUBMIT ANNUAL AUDITED COST REPORTS

⇒ FACILITIES THAT DO NOT RECEIVE STATE/COUNTY SPECIAL ASSISTANCE OR MEDICAID PERSONAL CARE FUNDING ARE EXEMPT FROM THE REPORTING REQUIREMENTS

⇒ ESTABLISHES A COST REPORTING PERIOD OF OCTOBER 1 THROUGH SEPTEMBER 30

⇒ ESTABLISHES A COST REPORT DUE DATE OF MARCH 1

⇒ ALLOWS THE DEPARTMENT OF HUMAN RESOURCES TO SEEK A COURT ORDER TO ENFORCE COMPLIANCE WITH SENATE BILL 864 AND/OR SUSPEND OR REVOKE AN ADULT CARE HOME'S LICENSE, SUBJECT TO THE PROVISIONS OF CHAPTER 150B OF THE GENERAL STATUTE

THE DEPARTMENT OF HUMAN RESOURCES INITIATIVES TO ASSIST AUDIT CARE HOME IN MEETING THE REQUIREMENTS OF SENATE BILL 864:

TO ENSURE UNIFORMITY OF DATA ACCURACY IN COST REPORTING, THE DEPARTMENT WORKED WITH INDUSTRY REPRESENTATIVES AND ADVOCATE GROUPS TO DEVELOP:

TWO SEPARATE CHARTS OF ACCOUNTS AND COST REPORTS TO ENSURE UNIFORMITY OF DATA FOR COST REPORTING; ENABLE ADULT CARE HOMES TO CAPTURE DATA REQUIRED FOR RATE SETTING; AND FOR DOCUMENTING MEDICAID REIMBURSED COST:

⇒ ONE CHART OF ACCOUNTS AND COST REPORT FOR ADULT CARE HOMES WITH A LICENSED BED CAPACITY OF 10 BEDS OR GREATER AND

⇒ ONE CHART OF ACCOUNTS AND COST REPORT FOR ADULT CARE HOMES WITH A LICENSED BED CAPACITY OF 9 BEDS OR LESS

THE CHART OF ACCOUNTS IS DESIGNED TO IDENTIFY BOTH DIRECT AND INDIRECT COST CENTERS.

THE DIRECT COST CENTERS ARE:

- HOUSEKEEPING/LAUNDRY
- PERSONAL CARE

  FOR PERSONAL CARE SERVICES TO CLIENTS IN THE HOME. ADMINISTRATION OF DRUGS, ADMINISTRATION OF MEDICATION THROUGH FEEDING TUBES/INJECTION/VASCULAR ACCESS, MAINTAINING ACCURATE INPUT AND OUTPUT DATA, IRRIGATION OF WOUNDS, COLLECTING/TESTING BLOOD SAMPLES, AND TRAINING ARE THE TYPE PERSONAL CARE SERVICES COST COLLECTED IN THIS CATEGORY
- HEALTH SERVICES
- DIETARY
- RECREATION ACTIVITIES
- MEDICAL TRANSPORTATION

THIS CENTER CONSISTS OF SALARIES, FRINGE BENEFITS AND VEHICLES COST ASSOCIATED WITH PROVIDING TRANSPORTATION NECESSARY FOR CLIENTS TO RECEIVE NEEDED MEDICAL TREATMENT

- INITIAL/ ORIENTATION

  SALARIES/FRINGE BENEFITS, TRAVEL, REGISTRATION, AND TRAINING MATERIALS COST ASSOCIATED WITH PERMANENT STAFF ATTENDING MANDATORY PERSONAL CARE AIDE TRAINING

THE INDIRECT COST CENTERS ARE:

- PROPERTY /OWNERSHIP USE
  THIS INCLUDES DEPRECIATION, RENT, REAL ESTATE TAXES, INTEREST ON MORTGAGE/FIXED ASSETS, AND INSURANCE ON FIXED ASSETS AND BUILDINGS
- ADMINISTRATIVE AND GENERAL EXPENSE
  ADMINISTRATOR, BOOKKEEPING, AND SECRETARIAL SALARIES, LEGAL/ACCOUNTING/AUDIT FEES, EMPLOYEE CRIMINAL RECORD CHECK, INTEREST ON OPERATING LOANS, DATA PROCESSING, MANAGEMENT SERVICES, AND OTHER ADMINISTRATIVE TYPE COST.
- OPERATIONS/MAINTENANCE COST
  SALARIES, UTILITIES, PEST CONTROL, GASOLINE & OIL, REPAIRS, AND OTHER COST ASSOCIATED WITH MAINTENANCE OF BUILDINGS/VEHICLES, GASOLINE & OIL
- NON-REIMBURSABLE
  FEDERAL/STATE INCOME TAX, LOBBYIST EXPENSE, CONTRIBUTIONS, BAD DEBTS, AND VENDING SERVICES

- MENTAL HEALTH CONTRACTED SERVICES

  GROUP HOMES RECEIVING MENTAL HEALTH FUNDING ARE TO RECORD COST ASSOCIATED WITH PROVIDING THESE SERVICES IN THIS COST CENTER

TO HELP ENSURE ACCURACY AND QUALITY OF COST REPORTS:

⇒ A LIST OF "AGREED UPON PROCEDURES" WAS DEVELOPED FOR USE BY ACCOUNTANTS IN THE AUDIT OF COST REPORT DATA

⇒ THE DEPARTMENT'S OFFICE OF INTERNAL AUDIT PERFORMED AN AUDIT ON A SAMPLE OF FAMILY CARE HOMES

TO PROVIDE FOR AN "OPEN LINE OF COMMUNICATION"

⇒ THE DEPARTMENT'S ADULT CARE PROJECT TEAM MEETS ONCE A MONTH WITH INDUSTRY REPRESENTATIVES AND ADVOCATE GROUPS FOR OBTAINING THEIR INPUT.

COST REPORTS FOR 1996 RECEIVED AND PROCESSED:

AS OF FRIDAY MARCH 14, 1997, THE FOLLOWING COST REPORTS WERE RECEIVED FROM PROVIDERS:

TYPE	FACILITY COUNT	RECEIVED	REVIEWED	NOT RECEIVED
Home for the Aged	479	338	338	141
Family Care Home	760	447	429	313
Developmental Disabled Home	217	146	136	71
Combined (Nursing Home/Hospital)	232	124	120	108
Mental Health 122C Facility	269	188	183	81
TOTALS	**1,957**	**1,243**	**1,206**	**714**

A list of the providers that did not submit a cost report as required by General Statute 131D-4.2 (e) has been turned over to the Division of Facility Services.

ACCURACY OF COST REPORTS

Of the **1243** cost reports listed as received as of Friday, **March 14,** 1997; **129** were from exempt facilities; **1114** were from non-exempt facilities of which **1077** were reviewed and considered acceptable; and **37** were awaiting review. A total of **265** audited cost reports were received. An additional **106** cost reports were received and upon review considered unacceptable due to incompleteness or major errors. These were returned to providers for corrections and resubmission. A summarization of the exempt facilities and cost reports awaiting review/returned for corrections are:

TYPE	EXEMPT	RETURNED	AWAITING REVIEW
Home for the Aged	18	9	
Family Care Home	20	85	18
Developmental Disabled Home	1	5	10
Combined (Nursing Home/Hospital)	58	1	4
Mental Health 122C Facility	32	6	5
TOTALS	**129**	**106**	**37**

COST ANALYSIS

Adult Care Home Cost Report Summary					
Prepared From Cost Report Received As Of 3-14-97					
			STATEWIDE AVERAGE		
Report Type/Sort	Personal Care Cost Rate		Special Assistance Direct Costs	Special Assistance Indirect Costs	Total Special Assistance Costs
	Per Staff Hour **		Per Resident Month		
All Homes (Inclusive of audited and Unaudited)	$8.97		$420.44	$533.50	$953.94
Sort By Home Type (Audited and Unaudited)					
Nursing/Hospitals with Adult Care Beds *	$16.02		$925.27	$616.60	$1,541.87
Mental Health Homes *	$12.36		$1,947.03	$1,028.60	$2,975.63
Developmentally Disabled Group Homes *	$13.47		$671.65	$590.28	$1,261.93
Homes For The Aged *	$8.59		$312.74	$477.45	$790.19
Family Care Homes *	$6.41		$373.66	$492.81	$866.47
Consolidated - All Categories	$7.91		$351.66	$597.80	$949.46
Note: * = Does not include Consolidated Reports as the cost from these reports cannot be separate by type of facility.					
** = Total cost of the Personal Care Cost Center divided by staff hours					
Current State County Special Assistance Rate	$874/per month				
Current Basic Personal Care Rate	$8.07/hour				

Adult Care Home Cost Report Summary

Prepared From Cost Report Received As Of 3-14-97

Report Type/Sort	RANKED BY TOTAL COSTS 80th Percentile	75 th Percentile	60th Percentile	50th Percentile	RANKED BY DIRECT COSTS 80th Percentile	75 th Percentile	60th Percentile	50th Percentile	RANKED BY INDIRECT COSTS 80th Percentile	75 th Percentile	60th Percentile	50th Percentile
All Homes (Inclusive of audited and Unaudited)	$1,324.88	$1,154.08	968.33	$864.19	$675.02	$605.59	$435.08	$366.81	713.27	$666.17	$537.94	$485.77
Sort By Home Type (Audited and Unaudited)												
Nursing/Hospitals with Adult Care Beds *	$1,672.46	$1,587.01	$1,244.17	$1,120.02	$990.28	$864.90	$718.64	$658.46	$744.04	$657.96	$547.42	$507.58
Mental Health Homes *	$7,280.52	$6,346.19	$4,924.73	$3,322.75	$4,885.01	$4,070.73	$2,278.37	$1,826.48	$2,036.40	$1,894.07	$1,478.99	$1,304.73
Developmentally Disabled Group Homes *	$1,704.97	$1,619.22	$1,371.51	$1,209.15	$970.24	$924.99	$759.30	$617.76	$792.10	$761.53	$629.33	$534.37
Homes For The Aged *	$941.40	$891.06	$816.18	$763.96	$399.78	$373.34	$321.69	$292.91	$594.24	$552.37	$497.37	$462.82
Family Care Homes *	$1,073.53	$1,027.25	$882.22	$820.92	$550.75	$515.74	$402.18	$348.05	$632.68	$589.33	$493.38	$444.21
Consolidated Reports-All Categories	$1,401.55	$1,266.04	$988.62	$807.91	$718.83	$528.42	$412.81	$370.14	$748.40	$698.95	$609.62	$511.47

Note: * = Does not include Consolidated Reports as the cost from these reports cannot be separate by type of facility.
** = Total cost of the Personal Care Cost Center divided by staff hours

Current State County Special Assistance Rate	$874 per month
Current Basic Personal Care Rate	$8.07 per hour

Adult Care Home Cost Report Summary					
Prepared From Cost Report Received As Of 3-14-97					
Homes for the Aged, Family Care Homes & Consolidated					
			STATEWIDE AVERAGE		
Report Type/Sort	Personal Care Cost Rate		Special Assistance Direct Costs	Special Assistance Indirect Costs	Total Special Assistance Costs
Averaged Cost	**Per Staff Hour**		**Per Resident Month**		
Homes for the Aged, Family Care Homes & Consolidat	$8.29		$329.11	$511.61	$840.72
(Inclusive of Audited and Unaudited)					
Cost By Selected Percentiles					
Direct Cost at 80th percentile & indirect at 60th percentile			$500.68	$500.30	$1,000.98
Direct Cost at 80th percentile & indirect at 50th percentile			$500.68	$454.03	$954.71
Direct Cost at 75th percentile & indirect at 60th percentile			$447.56	$500.30	$947.86
Direct Cost at 75th percentile & indirect at 50th percentile			$447.56	$454.03	$901.59
Current State County Special Assistance Rate	$874/per month				
Current Basic Personal Care Rate	$8.07/hour				

Attachment

VISITOR REGISTRATION SHEET

Committee: HUMAN RESOURCES (Approp) Date: MAR 18, 1997

VISITORS: Please sign below and return to Committee Clerk.

NAME	FIRM OR STATE AGENCY AND ADDRESS
Tommy Worth	Carolinas HealthCare System
Terri Rau	NCARF
Janet Simpson	NCACF
John Baggett	MHDDSAS
Whitney Obn'g	MHDDSAS
Sharnese Ransome	DSS
Willard Sandbill	OHR-DMA
J. Rau	DHR-DST
Anne Braswell	DHR - DMA
Bob Lumb	DNR-DSS
Dan Barrett	DHR - DFS
Ben P. Slaton	DHR-DFS
Jim Lapchurch	DHR-DFS
John Young	Leg Staff
Polly Williams	NC Equity & AARP
Marlene Ch...	Fam. & of Residents of LTC
Eva Bates	The Independent
Richard Hatch	AARP
NELS ROSELAND	STATE BUDGET
M Myers	OSBM
B. Woodall	OSBM
GEORGE BARBOUR	DMH/DD/SAS
Wayne Williams	OSBM
FAIGER BLACKWELL	NCALTCF
John WEEKS	NCALTCF
Jim Moore	NCALTCF

VISITOR REGISTRATION SHEET

Committee: Human Resources (Approp) Date: Mar 18, 1997

VISITORS: Please sign below and return to Committee Clerk.

NAME	FIRM OR STATE AGENCY AND ADDRESS
Nancy Gotterbarn, RN	NCALTCF
Lori B. Wilson	NCALTCF
[illegible]	OSPL
Priscilla Bridges	NCALTCF
Susan Morris	NCALTCF
DAVID RICE	U-S JOURNAL
DAN GERLACH	NCBTC
Frank Babbitt	DHR
Tom Washburn	DHR
PETE PETTIS	NCALTCF
Joyce Johnson	DHR
Jim Edgerton	DHR
Lynne Perrin	DHR
Lei Kitteridge	DHR
Lynda McDaniel	DHR/DFS
L. Broadaway	DHR / B & A

VISITOR REGISTRATION SHEET

Committee: Human Resources (Appropriations) Date: March 18, 1997

VISITORS: Please sign below and return to Committee Clerk.

NAME	FIRM OR STATE AGENCY AND ADDRESS
Meagan	OSBM
Wayne Williams	OSBM
[illegible]	Rowe & Assoc LTC
[illegible]	Pharm Mgmt Group
Roger M. Blackwell	NCALTCF
Tim Moore	"
[illegible]	NCALTCF
Peggy Maynard-O	
Shanere Ransome	DHR

VISITOR REGISTRATION SHEET

Committee: HUMAN RESOURCES (Appropriations) Date: MARCH 18, 1997

VISITORS: Please sign below and return to Committee Clerk.

NAME	FIRM OR STATE AGENCY AND ADDRESS
Anne Bronwell	DHR/DMA
Jim Panton	DMA
Frank Tobbett	DHR
Lynda McDaniel	DHR/DFS
[illegible] Tanner	DHR/DSS
Angie McMillan	DHR
[illegible] Willis	DMH/DD/SAS
Lee Kitchen	DHR
Lynne Perrin	DHR
Joyce Johnson	DHR
[illegible]	DHR
Tom Washburn	DHR
[illegible] Brogden	DHR
David Rice	W-S Journal
Louis Wicker	Speaker's Legislative
[illegible]	DHR/[illegible]
John Bassett	Dir. MH/DD/SAS
Lea P Staton	DHR/DFS
Jim Lapekunch	DHR/DFS
[illegible]	DHR/DFS
Tommy Watts	CHS
Marlene Chasson	F.O.R.
Bill Lamb	DHR/DSS
Bob Fitzgerald	DHR/DFS
[illegible]	DMH/DD/SAS
Alex Elmore	DMH/DD/SAS

HOUSE APPROPRIATIONS SUBCOMMITTEE FOR HUMAN RESOURCES

Minutes
April 1, 1997
Morning

The North Carolina General Assembly House Appropriations Subcommittee on Human Resources met jointly with the Senate Appropriations Subcommittee in the afternoon of Tuesday, April 1, 1997, in Room 424 of the Legislative Office Building.

House Co-Chairman Representative Lanier Cansler presided. Other House members present were Representative Charlotte Gardner, Co-Chairman, Representative Debbie Clary, Co-Chairman, Representatives Alma Adams, Henry Aldridge, Martha Alexander, J. W. Hurley, Edd Nye and Cindy Watson. All six Senate Subcommittee members were present.

Representative Cansler called the meeting to order. The open public hearing format dealt with block grants for Low Income Home Energy Assistance Program, Community Services, Mental Health Services, Substance Abuse Prevention and Treatment, Social Services and Child Care Development.

Low Income Housing Energy Assistance Program was first on the agenda. Ms. Caroline Myers, Crisis Assistance Ministry, offered information to the Committee concerning this.

A lengthy discussion followed. Questions from many of the Representatives and Senators were raised concerning the weatherization program. Responses from Jeff Brown, NC Energy Division, gave some very interesting answers which in turn created more questions.

Representative Cindy Watson wanted to know the criteria for her county to get involved. The staff will follow up with Representative Watson.

Representative Cansler adjourned the meeting at 9.49 A.M. with instructions to meet again after the latest session.

Respectfully submitted,

Presiding Co-Chairman - Representative Lanier M. Cansler

Barbara Cansler, Clerk

Attachment I	Agenda
Attachment II	Letter from Crisis Assistance Ministry
Attachment III	Comments on the proposed 1998 Low Income Home Energy Assistance Program (LIHEAP) plan for North Carolina
Attachment IV	Low Income Home Energy Assistance Program Public Hearing Comments - April 2, 1997
Attachment V	Department of Human Resources Block Grants
Attachment VI	Visitor Registration Sheet

AGENDA

Joint Subcommittee on Human Resources Appropriations
Legislative Office Building - Room 424
Tuesday, April 1, 1997
8:30 a.m.

Open Public Hearing

Low Income Home Energy Assistance Program
Block Grant

Community Services Block Grant

Mental Health Services Block Grant

Substance Abuse Prevention and Treatment Block Grant

Social Services Block Grant

Child Care Development Block Grant

4/1/97

Crisis Assistance Ministry

Office - 500 Spratt Street, Charlotte, NC 28206
Mail - P.O. Box 31636, Charlotte, NC 28231-1636
704/371-3001

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Charles Pittman
Betty Chafin Rash
Charlie Ratliff
Ken Schorr
Rev. James Thomas
Merlene Wall
Troy Watson
Kay Weatherspoon
Father Mauricio West
Betsy White

One of the major obstacles faced by low income families in the United States today is the rapidly increasing cost of energy. As demonstrated by the following statistics, the energy burden carried by low income families in North Carolina is considerably greater than the burden carried in other parts of the country.

The following facts are taken from Energy and the Poor: The Crisis Continues, Executive Summary, published by the National Consumer Law Center.

- Historically, the prices of energy have risen at a much faster rate than earned income and AFDC benefits. For example, the prices of gas, electricity and heating oil rose at rates 150%, 200% and 300% faster than AFDC benefits during the 1988-1992 period, respectively. [Fifty percent of the nation's low income families use gas as their primary heat source while 20% use electricity and 11% rely upon heating oil].

- While the national average increase in the price of energy from 1980 to 1992 was 65.41%, energy prices in North Carolina increased at a rate of 97% (the sixth highest rate in the nation).

- Nationwide, median income families spend an average of 3.8% of their monthly household income on energy. In North Carolina, this figure is 4.4%.

- In 1992, low income (minimum wage) households across the country spent an average of 12.1% of their monthly income on energy. Comparatively, low income households in North Carolina spent approximately 14%.

- In 1992, energy costs exceeded one-third of AFDC monthly benefits for families of three in 10 states. North Carolina was one of these states.

- In 1992, North Carolina AFDC families of three spent an average of 36.5% of their monthly income on energy, leaving the family with approximately $172.79 for all additional monthly expenses, including housing.

- Contrary to common perception, low income families spend less total money on energy than median income households. For example, in 1992, low income families across the nation spent an average of $1036.62 on energy for the year while median income households spent an average of $1238.60. In North Carolina, low income families spent an average of $1190.47 while the yearly energy expense for median income households was $1402.54.

- From 1988-1992, only 21.5% of the families with qualifying incomes for LIHEAP eligibility received assistance.

- North Carolina leads the southeastern states in deaths caused by hypothermia. In 1992, the death rate for those dying of hypothermia in North Carolina was .30. This may be compared to a rate of .04 in Maryland and .08 in Georgia. Furthermore, North Carolina's hypothermia death rate equals those in Minnesota (.31) and Wisconsin (.30) while it far exceeds the death rates of North Dakota (.15) and Vermont (.17). [These statistics are provided by the Mortality Services Branch of the National Center for Health Statistics].

4/1/97

Comments on the proposed 1998 Low Income Home Energy Assistance Program (LIHEAP) plan for North Carolina

Submitted by Caroline Myers
Executive Director of Crisis Assistance Ministry in Charlotte

As we continue to witness an alarming increase in the number of qualifying households needing assistance with their energy bills, we are also faced with limited funding for energy assistance available to help meet these needs. Therefore, Crisis Assistance Ministry is extremely concerned over the suggestion made by some stakeholders to allocate 22.5% of the North Carolina LIHEAP allotment to the weatherization program through a waiver tapping CIP funds which remain after March. It is already clear from federal government guidelines that spending beyond 15% is not the primary intent of the block grant.

The current CIP allocation is insufficient to meet the pressing energy needs of our low income population and it is critical to recognize that CIP money remaining after the winter months is not "extra money". Rather, this money is available because the regulations governing the administration of CIP prevent DSS and other designated organizations from being able to adequately distribute their funds. Rather than transferring 7.5% of this money to the weatherization program, it is vital that we consider the problems with the distribution of CIP and institute appropriate changes such that this money reaches the intended low income families in North Carolina with the greatest energy needs. Several comments were made at the stakeholders meeting addressing this issue.

We applaud the recommendation of the stakeholders to restore the CIP cap to $400 per household. Certainly the lowered $200 cap has been insufficient in helping many families maintain or restore service because the remaining balance needed was simply unattainable. The proposal to restore the cap to a $400 level is particularly timely considering the unusually high energy bills experienced by utility customers this winter. For example, this year's great increase in natural gas prices will leave many families with bills they cannot resolve before next year's heating season. A $400 cap will be critical in

helping these families to restore their service. It was also suggested that outreach is needed in some areas, particularly in rural counties, to alert needy households that energy assistance in the form of CIP is available. The start up of CIP this winter was later than usual and many families may have given up on the availability of help. The implementation of these two suggestions will help ensure that the CIP money reaches the intended recipients and provides greater relief for their energy crisis.

Crisis Assistance Ministry would like to add that in order to best meet the needs of our low-income population, it will be very important to track CIP spending across the state, such that funds remaining are quickly redistributed during the heating season to counties continuing to experience a need. For example, Guilford County had CIP money remaining for 1997 primarily because the $200 cap had been reached for their applicants. In contrast, Crisis Assistance Ministry in Mecklenburg County ran out of CIP funds in January and other significant fuel funds were exhausted in February. Although high energy bills continued through March and clients continued to seek assistance, it could not be determined how much in CIP funds were remaining across the state for possible redistribution. A timely reporting of CIP spending per county would greatly facilitate any necessary redistribution of this money in order to reach members of our low-income population in crisis.

According to information provided by the Energy Division, the additional 7.5% or $1.35 million awarded to the weatherization program by the waiver could reach 900 households for weatherization assistance. The weatherization would save each household approximately $150 annually for 20 years. While these are worthy achievements, we must question the priority when many of our low-income population do not have basic needs met. It is important to consider the composition of these 675 households. Currently the weatherization program disproportionately serves homeowners and the elderly. For example, the weatherization program in Mecklenburg County served 39 households from July to December, 1996. Although only 5% of our low-income population are homeowners, thirty-three of these service recipients were homeowners and six were renters. Furthermore, twenty-one of these households were classified as elderly, the group with more alternatives available in subsidized housing

and already identified as the recipients of energy checks. Weatherization is available to all income qualified clients, and yet repeatedly the vast majority of the service recipients do not accurately represent the vast majority of those in need. Like so many other programs, the families and the working poor fall through the cracks. Secondly, the low-income population is extremely fluid and hopefully the tenants of these weatherized residences may not remain low-income, such that the targeted population would not continue to reap the benefits of the program.

Although weatherization is a valuable service, it is critical for many low income families that North Carolina spend no more than 15% on the program. We must use the limited LIHEAP funding available to reach as many of the lowest income households as possible. The same $1.8 million proposed for transfer to the weatherization program could reach approximately 6750 additional households if distributed as CIP (with a $200 cap), helping our needy low income population to avoid disconnection or restore service during the cold winter months.

The future of weatherization should focus on a partnership with the energy providers. Because North Carolina utility companies also benefit from weatherization with energy savings, they should be asked to assist in the initial identification of high usage residential customers appearing to be in need of weatherization. In addition, the utility companies should be more strongly encouraged to institute friendly programs targeting low-income customers such as those already offered by CP&L. Research has shown that utilities focusing their efforts on positive interactions with low-income customers such as developing appropriate and realistic payment plans generates more revenue and achieves fewer disconnections.

Prepared by Margaret McLeod
AmeriCorps member with NC Low Income Housing Coalition focusing on energy issues at Crisis Assistance Ministry

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM
PUBLIC HEARING COMMENTS
APRIL 2, 1997

COMMITTEE CHAIRS, MEMBERS OF THE COMMITTEE, SECRETARY BRUTON/HUMAN RESOURCE STAFF, LEGISLATIVE AND FISCAL STAFF; MY NAME IS ROBERTA FAISON AND ON BEHALF OF THE N.C. COMMUNITY ACTION ASSOCIATION, PROVIDERS OF NORTH CAROLINA'S RESIDENTIAL ENERGY CONSERVATION ASSISTANCE PROGRAM KNOWN TO YOU BEST AS THE WEATHERIZATION ASSISTANCE PROGRAM, A RECIPIENT OF CRUCIAL LIHEAP FUNDING, WE THANK YOU FOR THIS OPPORTUNITY TO COMMENT ON THE LOW INCOME HOME ENERGY ASSISTANCE PROGRAM.

THE EARLY 1990'S HAVE SEEN AN INCREASE IN THE NUMBER OF WORKING POOR WHO HAVE MINIMUM WAGE, SERVICE SECTOR JOBS. ONE IN FIVE NORTH CAROLINIAN FAMILIES SUBSIST ON AN INCOME BELOW 150% OF THE POVERTY LEVEL. TWO THIRDS OF OUR COUNTIES IN NORTH CAROLINA HAVE SEEN POPULATION RATES OUTPACE JOB GROWTH. IN MOST COUNTIES OF NORTH CAROLINA, WHICH IS STILL CHIEFLY A RURAL STATE, LOW WAGE JOBS ARE THE NORM, RATHER THAN THE EXCEPTION. THESE LOW WEALTH FAMILIES FREQUENTLY OCCUPY OLDER HOUSING STOCK BUILT WITHOUT ENERGY CONSERVATION IN MIND. THE WORKING POOR, WHO ARE MARGINALLY ABLE TO MAKE IT ON THEIR INCOME, ARE PARTICULARLY ASSISTED BY OUR PROGRAM OF WEATHERIZATION. ENERGY REMAINS A HIGH COST ITEM FOR LOW INCOME FAMILIES AND WEATHERIZATION IS A LONG TERM SOLUTION WHICH HELPS

ALLEVIATE THIS PROBLEM WHILE ALSO REDUCING THE NEED FOR FUEL ASSISTANCE PAYMENTS.

IN A REPORT BY THE NATIONAL CONSUMER LAW CENTER, LOW INCOME NORTH CAROLINIANS CAN SPEND UP TO 35% OF THEIR INCOME ON ENERGY. WEATHERIZATION GREATLY REDUCES THIS BURDEN.

THE WEATHERIZATION ASSISTANCE PROGRAM ACTUALLY IMPROVES THE ENERGY EFFICIENCY OF THE HOME, THEREBY LOWERING CLIENTS MONTHLY FUEL BILLS. REDUCTIONS IN FUEL BILLS ARE ESPECIALLY IMPORTANT TO LOW INCOME FAMILIES WHO WALK THE LINE BETWEEN PAYING FOR HOUSING AND BEING HOMELESS. A 30% REDUCTION IN A MONTHLY FUEL BILL MAKES A SIGNIFICANT IMPACT FOR LOW INCOME FAMILIES STRUGGLING TO PAY FOR NECESSITIES. DOLLARS SAVED ON FUEL BILLS CAN THEREFORE BE DIRECTED TO THESE OTHER NECESSITIES, REDUCING DEPENDENCY ON OTHER FEDERAL AND STATE PROGRAMS. WEATHERIZATION IS A SOLUTION RATHER THAN A QUICK FIX, PROVIDING LONG TERM BENEFITS TO LOW INCOME FAMILIES. OUR EXPECTED "LIFETIME OF ENERGY REDUCTION" IS BASED ON A TWENTY YEAR TIME LINE.

INVESTMENT IS A KEY WORD DESCRIBING THE FEDERAL DOLLARS SPENT IN THE WEATHERIZATION PROGRAM. DUE TO INCREASED TECHNOLOGY, WE ARE NOW BETTER THAN EVER ABLE TO ACCURATELY DETERMINE THE AMOUNT OF ENERGY SAVED FROM THE PROGRAM. IN 1989, OAK RIDGE NATIONAL LABORATORY DEMONSTRATED THAT FOR EVERY $1 INVESTED IN WEATHERIZATION THE

PROGRAM PAID BACK $1.72 IN ENERGY SAVINGS. IN NORTH CAROLINA, A NATIONAL LEADER IN WEATHERIZATION, THE RETURN ON INVESTMENT WAS $1.95. SINCE 1989 NEW TECHNOLOGIES AND PROGRAM IMPROVEMENTS HAVE INCREASED OUR COST EFFECTIVENESS. IN NORTH CAROLINA, EVERY $1 INVESTED IN 1994 THERE WAS A RETURN OF $2.87. WE BELIEVE THAT A $3 RETURN ON INVESTMENT IOS POSSIBLE WITHIN LESS THAN 5 YEARS. BASED ON OAK RIDGE NATIONAL LABATORY EVALUATION WE KNOW THAT IN 1989 WE SAVED THE LOW INCOME FAMILY 18% IN ENERGY OR $150 PER YEAR. IN NORTH CAROLINA THAT SAME YEAR WE DEMONSTRATED SAVINGS OF 23% WHICH REPRESENTS A SAVINGS OF $248 TOWARD A LOW INCOME HOUSEHOLD'S FUEL BILL. IN 1994 THOSE SAVINGS INCREASED TO 32% OR $345 PER HOUSEHOLD WEATHERIZED. THESE SAVINGS ARE DRAMATIC AND CONTINUE TO ACCUMULATE OVER THE LIFE TIME OF THE UNIT WEATHERIZED.

4,270 UNITS COMPLETED IN 1996 @ $345 IN SAVINGS EQUATES TO $1,473,150 OR $29,463,000 OVER THE LIFETIME OF THE UNIT. KEEP IN MIND THIS IS JUST FOR THE UNITS LAST YEAR. WE HAVE WEATHERIZED OVER 78,000 UNITS SINCE THE BEGINNING OF THE PROGRAM. THE MATH ON THOSE NUMBERS IS STAGGERING TO SAY THE LEAST. ANOTHER AMAZING STATISTIC OTHER THAN THE REAL DOLLAR SAVINGS IN ENERGY COST IS THE NET DOLLAR VALUE OF NON-ENERGY IMPACTS. EXTENDING THE LIFE OF THE DWELLING $171, REDUCED FIRES $4, REDUCED ARREARAGES $44, FEDERAL TAXES GENERATED BY DIRECT EMPLOYMENT $75, INCOME GENERATED BY DIRECT

EMPLOYMENT $688, AVOIDED COSTS OF UNEMPLOYMENT BENEFITS $112, ENVIRINOMENTAL EXTERNALITIES $234 FOR A TOTAL OF $1,328 DOLLARS IN ADDITIONAL ECONOMIC BENEFITS.THIS IS WHY WE ARE SO PASSIONATE ABOUT OUR PROGRAM. NORTH CAROLINA, WE ARE PROUD TO SAY HAS ONE OF THE MOST EFFECTIVE IF NOT THE MOST EFFECTIVE AND EFFICIENT PROGRAMS IN THE NATION. WE THINK THAT IT SHOWS IN THIS DATA.

ANOTHER EXTREMELY IMPORTANT AND SOMETIMES OVER LOOKED BENEFIT OF THE WEATHERIZATION ASSISTANCE PROGRAM IS ITS ECONOMIC IMPACT ON LOCAL AND STATE ECONOMIES, FOR WEATHERIZATION CREATES AND SUSTAINS JOBS. 52 INDIVIDUALS ARE DIRECTLY EMPLOYED AND 22 JOBS ARE INDIRECTLY SUPPORTED FOR EVERY ONE MILLION DOLLARS INVESTED INTO THE PROGRAM. THAT EQUATES TO 32 MILLION IN ECONOMIC OUTPUT GENERATED EACH YEAR. IN A GREAT TIME OF SKEPTICISM ABOUT THE EFFECTIVENESS OF PUBLIC PROGRAMS, WEATHERIZATION IS AN EXAMPLE OF A FEDERAL/STATE/ COMMUNITY PARTNERSHIP THAT RETURNS MORE VALUE THAN THE TAXPAYER INVESTS AND DELIVERS MEASURABLE AND LONG-LASTING RESULTS.

THE WEATHERIZATION NETWORK IS A LEADER IN DEVELOPING CONSERVATION TECHNOLOGIES. WE HAVE PIONEERED MECHANISMS FOR THE IDENTIFICATION AND RESOLUTION OF PROBLEMS RELATING TO HOME HEALTH AND SAFETY.. IN NORTH CAROLINA ONE IN TEN HOMES ELIGIBLE FOR WEATHERIZATION HAVE SIGNIFICANT LEVELS OF CARBON MONOXIDE. THREE TIMES AS MANY HOMES HAVE SIGNIFICANT LEVELS OF NITROGEN DIOXIDE. BOTH GASES ARE

DANGEROUS. CARBON MONOXIDE IS A SILENT, DEADLY KILLER. NITROGEN DIOXIDE CAN CAUSE LONG TERM CHRONIC ILLNESS. THESE ARE SERIOUS HEALTH AND SAFETY ISSUES CAUSING POTENTIAL DEATHS AND IN CERTAIN PROBABILITY HEALTH PROBLEMS WHICH REFLECT UPON THE INDIGENT HEALTH CARE COSTS IN ALL 100 COUNTIES. CURRENTLY WE HAVE A STATEWIDE (THIS PAST YEAR) PROGRAM WORKING IN CONJUNCTION WITH WEATHERIZATION FUNDED THROUGH L.I.H.E.A.P. CALLED THE HEATING APPLIANCE REPAIR AND REPLACEMENT OR H.A.R.R.P., IT ALLOWS US TO EVALUATE, REPAIR OR REPLACE FAULTY HEATING SYSTEMS THAT POSE HEALTH AND SAFETY RISKS. COMMUNITY ACTION'S PRIMARY GOAL IS TO ASSIST FAMILIES ACHIEVE ECONOMIC SELF SUFFICIENCY, PROVIDING SERVICES TO MOVE THEM ABOVE THE POVERTY LEVEL. ECONOMIC SELF SUFFICIENCY PROGRAMS REMOVE THE BARRIERS THAT MAY BE KEEPING FAMILIES IN POVERTY. WASTED ENERGY BRINGS HUGE ENERGY COSTS, CREATES MANY POTENTIAL EVICTION SITUATIONS, AND CAUSES MANY TO CHOOSE BETWEEN HEATING, EATING, OR BUYING NECESSARY MEDICATION. 65% OF WEATHERIZATION SERVICES ARE PROVIDED TO LOW INCOME HOMEOWNERS IN OLDER HOUSING. IMPROVEMENTS IN HOUSING STOCK SUCH AS INSULATION AND FURNACE MODIFICATIONS REMAIN WITH A HOME AND BENEFIT LOW INCOME CLIENTS FOR MANY YEARS, THEREBY PRESERVING HOUSING STOCK AND ENERGY EFFICIENCY ITS EFFECT IN MANY AREAS IS VERY PRONOUNCED WHERE WEATHERIZATION SERVICES CAN REPRESENT THE ALTERNATIVE TO ABANDONMENT. 23% OF UNITS WEATHERIZED ARE FOR THE ELDERLY. THESE SERVICES OFTEN ALLOWS

SENIORS TO REMAIN IN THEIR HOMES LONGER REDUCING THE NEED FOR GOVERNMENT SUBSIDIES ON LONG TERM CARE IN EXPENSIVE NURSING OR REST HOMES. 35% OF WEATHERIZATION SERVICES IS PROVIDED TO RENTERS OF WHICH LANDLORDS MUST CONTRIBUTE 10% IN CASH TOWARD THE COST OF SINGLE FAMILY DWELLINGS AND 25% FOR MULTI-FAMILY DWELLINGS. THESE FUNDS ARE RETURNED TO THE WEATHERIZATION PROGRAM TO INCREASE THE NUMBER OF UNITS WEATHERIZED.

IN THE 1996 LEGISLATIVE YEAR THIS COMMITTEE UNANIMOUSLY RECOMMENDED APPLICATION TO H.H.S. FOR A FEDERAL WAIVER FOR THE WEATHERIZATION ASSISTANCE PROGRAM FROM THE L.I.H.E.A.P. BLOCK GRANT. THIS WAIVER REQUEST, ALLOCATING 25% OF THE STATE'S L.I.H.E.A.P. BLOCK GRANT TO WEATHERIZATION WAS AN IMPORTANT STEP IN RECOGNIZING THE NEED TO ADDRESS THE ROOT PROBLEM OF HIGH ENERGY COSTS IN A MORE COMPREHENSIVE AND EXTENSIVE MANNER. THE IMPLEMENTATION OF WAIVER REQUESTS FROM THE FEDERAL GOVERNMENT TO INCREASE THE PERCENTAGE OF L.I.H.E.A.P. BLOCK GRANT FUNDS FOR WEATHERIZATION IS DUE IN LARGE PART TO THE OVERWHELMING DATA TO DOCUMENT LONG TERM ENERGY SAVINGS AS A BETTER MEANS TO SUPPLEMENT THE LOW INCOME'S ENERGY NEEDS AND PERCENTAGE OF INCOME SPENT ON HEATING/COOLING. WE WOULD REQUEST YOU AGAIN TO RECOMMEND A 25% WAIVER REQUEST TO H.H.S. FOR WEATHERIZATION FROM LIHEAP, AS A PART OF ITS ANNUAL BLOCK GRANT PROCESS, PREVIOUSLY CONCLUDED AND RECOMMENDED BY THIS COMMITTEE.

WE DO HAVE ONE QUESTION ON THE DEPARTMENT'S BUDGET RECOMMENDATION OF 22.6% AS IT DOES NOT CORRESPOND TO THIS COMMITTEE'S PREVIOUS DECISION TO HAVE IN PLACE A STANDARD 25% OF FEDERAL FUNDING BE ALLOCATED FOR WEATHERIZATION.

TO CONCLUDE AND SUMMARIZE, THE IMPACTS OF THE LOW INCOME WEATHERIZATION PROGRAMS ARE NUMEROUS.

-REDUCES UTILITY ARREARAGE AND TERMINATIONS

-ALLOWS FAMILIES TO INCREASE PERCENTAGE OF THEIR INCOME ON OTHER HOUSEHOLD NECESSITIES SUCH AS FOOD AND MEDICINE

-IMPROVES HEALTH, SAFETY AND THERMAL COMFORT OF LOW INCOME HOMES INCLUDING PREVENTION OF IN FIRES FROM FAULTY HEATING UNITS

-GREATLY IMPROVES INDOOR AIR QUALITY WHICH CAUSES CHRONIC RESPIRATORY INFECTIONS OR DEATH IN THE CAUSE OF EMISSIONS OF CARBON DIOXIDE.

-EXTENDS THE LIFETIME OF LOW INCOME HOUSING, ALLOWS THE ELDERLY TO REMAIN LONGER IN THEIR HOMES, DECREASES HOMELESSNESS AND MOBILITY

WEATHERIZATION IS A COMPREHENSIVE PROGRAM THAT PROVIDES ECONOMIC BENEFITS TO LOW INCOME AMERICANS WHILE CONTRIBUTING TO ENERGY CONSERVATION, LESSENING ENVIRONMENTAL DEGRADATION CAUSED BY THE BUILDUP OF CARBON DIOXIDE IN THE ATMOSPHERE AND STIMULATES LOCAL ECONOMIES. IT IS THE TRUEST EXAMPLE OF THE KIND OF ASSISTANCE PROGRAM TO LOW INCOME FAMILIES THAT LEADS THEM TO ECONOMIC INDEPENDENCE SOUGHT BY THE STATE IN ITS EFFORTS OF WELFARE REFORM.

4/1/97

Department of Human Resources

Block Grants

Department of Human Resources

Community Services Block Grant	1
Mental Health Services Block Grant	6
Substance Abuse Prevention and Treatment Block Grant	10
Low Income Home Energy Assistance Program Block Grant (LIHEAP)	16
Child Care and Development Block Grant	20
Child Care and Development Fund	23
Social Services Block Grant	28

DEPARTMENT OF HUMAN RESOURCES
OFFICE OF ECONOMIC OPPORTUNITY

COMMUNITY SERVICES BLOCK GRANT (CSBG)

For the State fiscal year 1997-98 the funding level is estimated to be $12,828,926.

GENERAL DESCRIPTION

The Community Services Block Grant Program makes federal funds available to states to provide a range of services designed to assist low-income persons attain the skills, knowledge, and motivation necessary to achieve self-sufficiency.

The primary providers of services under this grant, as required by federal law, are the thirty-six Community Action Agencies (CAAs) in the state. Other grantees are seven Limited Purpose Agencies (LPAs) who were recipients of similar funds prior to the inception of the Community Services Block Grant Program. CAAs operate programs under the Community Services Block Grant in coordination with other federal, state, and local programs such as Head Start, Emergency Homeless, Weatherization, and Section 8 Rental Assistance.

Community Services Block Grant funds are used to provide a wide variety of services in local communities to serve identified needs of poor families. Programs allowed under the Community Services Block Grant Act are those which provide activities designed to assist low-income participants including the elderly poor:

- to secure and retain meaningful employment;
- to attain an adequate education;
- to make better use of available income;
- to obtain and maintain adequate housing and a suitable living environment;
- to obtain emergency assistance through loans or grants to meet immediate and urgent individual and family needs, including the need for health services, nutritious food, housing, and employment-related assistance;
- to remove obstacles and solve problems which block the achievement of self sufficiency;
- to achieve greater participation in the affairs of the community; and
- to make more effective use of other programs related to promoting the well being of the low-income population.

The specific services operated in each local community are determined by the local agency as a result of an assessment of the needs of low-income individuals and families in their service area which is used to develop a multi-year plan for services.

As required by the Community Services Block Grant Act, ninety per cent of the funds received are distributed to the thirty-six Community Action Agencies (CAAs) located throughout the state. Five percent, which is the maximum allowed by federal law, is used by the Department to administer the Program. The remainder is used to fund seven non-profit organizations known as Limited Purpose Agencies (LPAs).

Approximately twenty thousand low-income individuals are served annually under the program.

RECOMMENDATIONS	ALLOCATION
1. Allocate $641,446 to the Department of Human Resources to administer the grant. Staff renders technical assistance and monitors the Community Action Agencies and Limited Purpose Agencies for compliance with federal laws and regulations.	$641,446
2. Allocate $11,546,034 to the 36 Community Action Agencies (CAAs) which serve 86 counties for the purpose of providing administrative costs and to assist low-income families with housing, emergency assistance, education, energy, nutrition, income management, information and referral, and outreach. Federal rules require that 90% of the grant be allocated to CAAs.	$11,546,034
3. Allocate the remaining 5% of the grant in the amount of $641,446 to Limited Purpose Agencies which are agencies that address a specific need or population. The allocation and agency is as follows: - Telamon which provides assistance to seasonal and migrant farm workers ($80,181) - Low Income Housing Development Corporation (LIHDC) which assists non-profit agencies in packaging loans for housing construction and rehabilitation ($98,141) - N.C. Rural Fund for Development (NCRFD) which provides technical assistance to credit unions and cooperatives which serve low-income individuals and families ($233,486) - N.C. Senior Citizens Federation which sponsors statewide activities for low-income senior citizens ($116,743)	$641,446

- Western Economic Development Organization (WEDO) which assists organizations serving low-income and handicapped individuals secure manufacturing contracts ($61,579)
- United Senior Services which provides activity programs for senior citizens in Craven County ($24,375)
- N.C. Commission of Indian Affairs which provides programs for low-income Native Americans in the state in coordination with local tribal organizations ($26,941)

TOTAL FUNDING SFY 1997-98	$12,828,926
SOURCE OF FUNDS:	
BLOCK GRANT FUND FFY 1997	$3,207,232
BLOCK GRANT FUND FFY 1998	$9,621,694

DIVISION OF ECONOMIC OPPORTUNITY
Analysis of Community Services Block Grant
SFY 1997-1998

Item Number	Title	Actual SFY 95-96	Appropriated SFY 96-97 (HB 53)	Recommended Amount SFY 97-98	Appropriated/ Recommended Difference	Explanation of Difference
1	Admin	$426,339	$511,044	$641,446	$130,402	Administration is limited to 5% of the grant award and varies based on the award amount.
2	CAAs	$9,198,794	$9,198,794	$11,546,034	$2,347,240	Funds awarded to CAAs must be 90% of the total allocation and is based on award amount.
3	LPAs	$511,044	$511,044	$641,446	$130,402	Funds awarded to LPAs is 5% of the grant award and varies based on the award amount.
TOTAL		$10,136,177	$10,220,882	$12,828,926	$2,608,044	Difference represents the increase in the federal grant award for this period.

Department of Human Resources
Division of Mental Health, Developmental Disabilities
and Substance Abuse Services
Mental Health Services Block Grant
(MHBG) SFY 1998

FUNDING LEVEL

Federal funding available to North Carolina is $6,238,341 for FFY 97 and an estimated amount of $6,238,341 for FFY 98. The proposed MHGB plan utilizes the remaining FFY 97 amount of $2,549,000 plus $3,689,341 from the anticipated FFY 98 award.

Congress, as part of the block grant authorization legislation in FY 93, separated the Alcohol, Drug Abuse and Mental Health Block Grant into distinct mental health and substance abuse block grants.

GENERAL DESCRIPTION

The MHBG provides federal financial assistance to states for the provision of community-based services for the mentally ill. Services provided through the use of the block grant must be those described in the State's Plan in accordance with Federal P.L. 102-321. These services include outpatient, day treatment, psychosocial rehabilitation, emergency services, residential services, etc.

SIGNIFICANT FEDERAL REQUIREMENTS

The authorization and separation of the block grant was accompanied by changes in federal requirements. The primary Federal requirement related to the MHBG is:

Funds must be used for services specified in the States' Plan in accordance with P.L. 102-321.

PROPOSED EXPENDITURE PLAN:		ALLOCATION
I.	**Adult Mental Health Plan**	
	Allocate funds to local programs to provide community-based services for individuals with severe and persistent mental illness in accordance with the N.C. Community Mental Health Services Plan and Block Grant Application. Community-based programs provide an array of services, including crisis stabilization designed to divert individuals from institutional admission; liaison and case management services which facilitate the discharge of individuals from the state's psychiatric hospitals; special programs for the hearing impaired; and training activities.	$3,794,179
II.	**Child Mental Health Plan**	
	Continuation of Child Mental Health services in accordance with the North Carolina Community Mental Health Services Plan and Block Grant Application such as programs for adolescent sex offenders, respite services, family preservation programs, group homes, specialized foster care, therapeutic homes, professional parenting programs, and training.	$1,819,931
III.	**Administration**	
	Applicable to 5% of Administrative Cap (Monitoring, Data Collection, Budgeting, Payments and Accounting)	$305,552
	Not Applicable to 5% Administrative Cap (Contracts for Non-administrative Activities and Technical Assistance to Service Providers)	$318,679
	TOTAL REQUIREMENTS	$6,238,341
	Source of Funds	
	MHBG FFY 97	$2,549,000
	MHBG FFY 98	$3,689,341
	TOTAL FUNDS	$6,238,341

ITEM NUMBER	TITLE	ACTUAL FY 95-96	APPROPRIATED SFY 96-97	AUTHORIZED 96-97 2/28/97	RECOMMENDED 97-98
1	Adult Mental Health	$3,754,147	$3,794,179	$3,811,752	$3,794,179
2	Child Mental Health	1,779,692	1,802,819	1,821,720	1,819,931
3	Administration	579,399	572,897	722,881	624,231
	TOTAL	$6,113,238	$6,169,895	$6,356,353	$6,238,341

The Difference between the Appropriated and Authorized amounts are due to carryover revisions 11-439 ($132,507) and revision 11-480 ($53,951) for a total of $186,458.

ITEM NUMBER	TITLE	CERTIFIED BUDGET SFY 96-97	RECOMMENDED AMOUNT SFY 97-98	DIFFERENCE	EXPLANATION OF DIFFERENCE
1	Adult Mental Health	$3,794,179	$3,794,179	0	
2	Child Mental Health	1,802,819	1,819,931	17,112	Additional funds will be used to provide training for local service delivery staff on a variety of topics, such wrap around services, treating youthful sex offenders, etc.
3	Administration	572,897	624,231	51,334	Additional funds will be used to contract for the development of training curricula around the various aspects of serving persons with mental illness.
	TOTAL	$6,169,895	$6,238,341	68,446	

Department of Human Resources
Division of Mental Health, Developmental Disabilities
and Substance Abuse Services

Substance Abuse Prevention & Treatment Block Grant (SAPTBG) SFY 1998

FUNDING LEVEL

Federal Substance Abuse Prevention and Treatment Block Grant (SAPTBG) funding available to North Carolina is $29,096,347 for FFY97 and an estimated amount of $29,096,347 for FFY 98. These amounts represent a $2.3 million increase above the FFY 96 award. The proposed plan utilizes the remaining FFY 97 amount of 13,130,344 plus 17,825,481 from the FFY98 award.

GENERAL DESCRIPTION

The ADAMHA Reorganization Act of 1992 (P.L. 102-321) split the Alcohol, Drug, and Mental Health Services Block Grant (ADMBG) creating the new Block Grant for the Prevention and Treatment of Substance Abuse. The PTSABG provides federal financial assistance to state for the provision of prevention and treatment of alcohol and drug abuse.

SIGNIFICANT FEDERAL REQUIREMENTS

Federal requirements begun in 1993 continue into 1998. Congress authorized a special appropriation Section 105 (d) (2) of Public Law (P.L.) 104-121, of $50 million for fiscal years (FY) 1997 and 1998. "The conferees expect that states will use funds made available under this provision to provide treatment to current and former Supplemental Security Income (SSI) recipients as their first priority." North Carolina will receive $1,123,757. Federal requirements related to SAPTBG include:

1. State will expend not less than 35% of the allocation for alcohol and drug respectively.

2) Not less than 20% of the funds are to be set aside for prevention programs for individuals who do not require treatment for substance abuse to reduce the risk for such abuse. Prevention programs will include strategies to discourage the use of alcoholic beverages and tobacco products by individuals to whom it is unlawful to sell or distribute such products, The Synar Amendment requires that each state adopt and enforce laws prohibiting sale or distribution of tobacco products to those younger than 18 years of age. Effective October 1, 1994, if the Secretary of HHS determines that a state has failed to comply with the law, the State will lose significant federal funding from the SAPTBG (totaling 10% of the block grant funds in the first year, 20% in the second year, 30% in the third year, and 40% in the fourth and subsequent years). Final rules were published on January 19, 1996 (45 CFR Part 96).

3) The state will spend not less than 10% of grant monies to increase the availability of treatment services for pregnant women and women with dependent children with the provision that prenatal and child care be provided to those women while they are in treatment.

4) Interim services must be provided to those individuals in need of treatment for intravenous substance abuse if they cannot be admitted to treatment within 14 days.

5) The state will require treatment entities receiving funds under the grant to make available tuberculosis services to each individual receiving treatment.

6) States such as North Carolina where the rate of AIDs is 10 or more per 100,000 must spend at least 5% of the total award to provide early intervention services for person with or at risk for HIV/AIDs.

PROPOSED EXPENDITURE PLAN	ALLOCATION
A. Adult Substance Abuse Plan	
1. Continuation of community and ADATC based alcohol and drug services including prevention, intervention, treatment, rehabilitation, and detoxification. Funding to support intervention and treatment services for offenders who remain in the community. Funds will be used to provide treatment services for offenders with substance abuse problems in community punishment programs. Continue support for group homes for recovering substance abusers. Tuberculosis services will be provided to all program participants. Special services for the deaf will be provided at the ADATC in Greenville, NC. Programs will be required to screen clients for TB and other infectious diseases.	$10,935,939
2. Continuation of services for pregnant women and women with dependent children. Specialized services will be provided at the ADATCs for women.	5,060,076
3. Continuation of services to IV drug abusers and others at risk for HIV disease. Special services for IV drug users will be provided at the ADATCs.	4,836,407

B. Child Substance Abuse

Continue services to children and adolescent including prevention, high risk intervention and regional residential services. Services will include treatment for children in detention and training schools. Prevention activities will include strategies to discourage use of alcoholic beverages and tobacco products by individuals to whom it is unlawful to sell or distribute such products. Expanded services will be delivered in accordance with the 1993 Mental Health Study Commission Child and Adolescent Alcohol and Other Drug Abuse Plan. Increased funds will be used to replace Federal fund reductions for prevention from the U.S. Office of Education. — $5,964,093

5. Administration

Applicable to 5%Administrative Cap (Planning, Quality Assurance, Development of new treatment and prevention services and training for providers receiving Block Grant funds.) — 1,338,939

Not applicable to 5% Administrative Cap (Statutory requirement to identify those populations, areas, and localities with a need for substance abuse services. State shall document the extent to which the need for substance abuse services is greater than the availability of such services by locality. — 502,803

C. New Requirements

1. The State will make treatment available to current and former Supplemental Security Income (SSI) recipients whose disability is the result of alcoholism and drug dependence. The 5% HIV spending requirement applies to this new appropriation ($56,187). Funds appropriated must be tracked separately from the rest of the SAPTBG. These funds sunset in 1999. — $1,123,757

2. Expansion funds will be used to provide substance abuse treatment for TANF participants whose disability make them unable to be successful in the workplace. Employee Assistance Programming for business employing TANF participants will be enhanced.	$1,193,811
TOTAL REQUIREMENTS	**$30,955,825**
Source of Funds	
SAPTBG FFY 97	13,130,344
SAPTBG FFY 98	17,825,481
TOTAL FUNDS	**$30,955,825**

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ITEM NUMBER	TITLE	ACTUAL SFY 95-96	APPROPRIATED SFY 96-97	AUTHORIZED SFY 96-97 2/28/97	RECOMMENDED SFY 97-98
1	Adult Substance Abuse	10,362,241	10,935,939	10,989,181	10,935,939
2	Child Substance Abuse	5,172,884	5,964,093	6,024,862	5,964,093
3	Women's Substance Abuse	4,725,580	5,060,076	5,416,176	5,060,076
4	IV Drug	5,002,743	4,836,407	4,891,893	4,836,407
5	Supplemental Sec. Income	-	-	-	1,123,757
6	Sub. Abuse to TANF part.	-	-	-	1,193,811
7	Administration	1,807,619	1,841,742	1,841,742	1,841,742
	TOTAL	27,071,067	28,638,257	29,163,854	30,955,825

The Difference between the Appropriated and Authorized amounts are due to carryover revisions 11-734 ($21,207), 11-299 ($50,000), 11-323 ($282,044) and 11-552 ($172,346) for a total of $525,597.

Substance Abuse Prevention Treatment Block Grant for SFY 98

ITEM NUMBER	TITLE	CERTIFIED BUDGET SFY 96-97	RECOMMENDED AMOUNT SFY 97-98	DIFFERENCE	EXPLANATION
1	Adult Substance Abuse	10,935,939	10,935,939		
2	Child Substance Abuse	5,964,093	5,964,093		
3	Women's Substance Abuse	5,060,076	5,060,076	-	
4	IV Drug Services	4,836,407	4,836,407	-	
5	Supplemental Security Income	-	1,123,757	1,123,757	Expansion funds will be used to treat current and former Supplemental Security Income recipients whose disability is the result of alcoholism or drug dependence.
6	Treatment for TANF participants	-	1,193,811	1,193,811	Expansion funds will be used to provide substance abuse treatment for TANF participants whose disability makes them unable to be successful in the workplace.
7	Administration	1,841,742	1,841,742	-	
	TOTAL	28,638,257	30,955,825	2,317,568	

DEPARTMENT OF HUMAN RESOURCES
DIVISION OF SOCIAL SERVICES

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM BLOCK GRANT (LIHEAP)

For state fiscal year 1997-98, the total state Low Income Energy Program allocation is currently estimated to be $18,267,603 based on current projections that the FFY 98 award will be this amount.

GENERAL DESCRIPTION

The purpose of the Low Income Home Energy Assistance Program Block Grant is to provide funds to help low income families cope with cost increases of heating fuel and to provide emergency assistance. There are two components:

1. Low Income Home Energy Assistance Payments - Funds are used to provide a one-time payment to eligible households to help pay heating bills.

2. Crisis Intervention Assistance - Funds are used to assist low income people when a heating or cooling related crisis occurs. Allocations are provided to county departments of social services to make direct payments, vendor payments, or to provide in-kind services for eligible households.

RECOMMENDATIONS

1.	Allocation for Low Income Energy Assistance payments.	$ 6,284,055
2.	Allocation for the Crisis Intervention Program.	$ 6,393,661
3.	Allocation to the Department of Commerce for Weatherization Program.	$ 4,128,479 *
4.	Allocation for application taking by the Commission on Indian Affairs.	$ 33,022
	Subtotal	$16,839,217

* If the weatherization waiver is denied for FFY 98, the allocation would be reduced from 22.6% to 15% of the total or $2,740,140, and the Crisis Intervention Program allocation would be increased to 42.6% of the total or $7,782,000.

5.	Allocation for county administrative cost of the Low Income Energy Assistance Payments Program and the Crisis Intervention Program.	$1,285,547
6.	Allocation for state administrative cost of the Low Income Energy Assistance Payments Program and the Crisis Intervention Program.	$142,839
	Subtotal Administration	$ 1,428,386
	TOTAL	$18,267,603

SOURCE OF FUNDS:

LIEAP Block Grant FY 1998	$ 18,267,603

DIVISION OF SOCIAL SERVICES
Analysis of Low Income Energy Block Grant
SFY 1997-1998

Item Number	Title	Actual SFY 95-96	Appropriated SFY 96-97 (HB 53)	% of Total	Recommended Amount SFY 97-98	% of Total	Appropriated/ Recommended Difference	% of Change	Explanation of Difference
1	Allocation for Low Income Energy Assistance payments	7,843,905	5,216,233	31.98%	6,284,055	34.4%	1,067,822	20%	Increase to expand coverage to include all Food Stamps households headed by an adult age 65 or older and maintain average payment of $150.
2	Allocation for the Crisis Intervention Program	3,293,651	5,709,258	35.00%	6,393,661	35.00%	684,403	12%	Pro rata increase to maintain CIP at 35% of total grant.
3	Allocation for county and state administrative cost of Low Income Energy Assistance Payments and the Crisis Intervention Program	1,423,844	1,275,611	7.82%	1,428,386	7.82%	152,775	12%	Pro rata increase to maintain administration at 7.82% of total grant.
4	Allocation to the Department of Commerce for Weatherization Program	2,628,094	4,078,042	25.00%	4,128,479	22.6%	50,437	1%	Increase to support allocation above 15% of total grant provided waiver is allowed for allocation up to 22.6%.
5	Allocation for application taking by the Commission on Indian Affairs	32,258	33,022	0.20%	33,022	0.18%	0	0%	
	TOTAL	15,221,752	16,312,166	100.00%	18,267,603	100.00%	1,955,437	12%	

Revised
CCDF
3/20/97

DIVISION OF CHILD DEVELOPMENT
BLOCK GRANT PLANS FOR SFY 1997-98

DESCRIPTION OF PURPOSE FOR SUBMITTING TWO SEPARATE PLANS

This year the Division of Child Development (DCD) finds it necessary to submit two separate block grant plans. The first plan is for the final year of the **Child Care and Development Block Grant (CCDBG)** of 1990. The Division received its last CCDBG award of $26,046,174 on September 30, 1996. DCD expects to spend approximately $6 million of the grant in SFY 1997 and is presenting a plan for obligating the remainder of the grant in SFY 1998. Federal requirements allow three years to actually expend the funds.

On October 1, 1996, DCD received the first award of the new **Child Care and Development Fund (CCDF)**. A second plan for expenditures of this fund is attached. This grant will eventually replace the entitlement child care funds formerly provided by Title IV-A of the Social Security Act, the CCDBG described above, and several smaller grants which provided funding for quality improvement activities. However, some components of the new CCDF will not become available to states until October 1, 1997.

For SFY 1997-98 only, DCD will have access to and must plan for expenditures of both the old CCDBG and the new CCDF. The two grants are completely separate and are subject to very different federal requirements, therefore a plan is submitted for each of the two grants.

Revised
CCDF
3/20/97

DIVISION OF CHILD DEVELOPMENT
CHILD CARE AND DEVELOPMENT BLOCK GRANT PLAN FOR SFY 1997-1998

GENERAL DESCRIPTION

For State Fiscal Year 1997-98, funds available through the Child Care and Development Block Grant (CCDBG) for appropriation are projected to be $20,559,533. This amount represents the unobligated balance from the FFY 1996 award. No additional funding is anticipated.

Federal Welfare Reform

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 was signed into law on August 22, 1996. The law contains several provisions pertaining to child care, the most comprehensive of which eliminated entitlements to child care subsidies for working families. A second clause consolidated all federal child care programs, including the Child Care and Development Block Grant, Family Support Act, and At-Risk child care, into the Child Care and Development Fund (CCDF). Welfare reform marks the end of the CCDBG. However, the grant award received on September 30, 1996 can be expended until September 30, 1999.

The Child Care and Development Block Grant was designed to provide federal funds for activities to improve the availability, quality and affordability of child care. The grant is divided into four categories, each designated for specific purposes and funding.

Child Care Subsidies

Categories A and B comprise the 75% Reserve, so called because 75% of the total grant award must be allocated to it. Category A is designated for the provision of child care subsidies, and requires at least 90% of the Reserve amount. All administrative expenses of providing these services, as well as general grant administrative costs, must be paid from Category B, which receives the remainder of the 75% Reserve funds. Additionally, activities to improve the quality and availability of care may be funded in Category B.

Quality and Availability Initiatives

Similarly, the 25% Reserve of the grant is divided into two funding segments. Category C is intended to increase the availability of certain types of child care, Category D proposes to improve the quality of care. Category C must receive from 18.75% to 20.0% of the total grant and is restricted to activities to establish or expand early childhood development programs and before- and after-school services. Category D, which is eligible to receive between 5% and 6.25% of the total grant, is designated for use in any of five specific quality improvement activities. These activities include operating resource and referral programs, providing training and technical assistance to providers, making loans available to providers, monitoring improvement, and increasing salaries and other compensation for child care teachers.

DIVISION OF CHILD DEVELOPMENT
CHILD CARE AND DEVELOPMENT BLOCK GRANT PLAN FOR SFY 1997-1998

FINAL CCDBG RECOMMENDATIONS	ALLOCATION
1. Appropriate $17.6 million to continue funding for the provision of child care subsidies for low income families.	$17,581,167
2. Allocate $.5 million for the costs of lead agency administration and other programs for improving the availability and quality of care.	$488,366
3. Reserve $1.8 million for activities to build child care capacity. These funds will also provide for the continuation of existing projects to increase the availability of care for special needs children and school-age children.	$ 1,750,000
4. Designate $.7 million for quality improvement activities. Initiatives will include resource and referral services, provider training and enhanced compensation, and monitoring improvement.	$740,000
TOTAL ALLOCATION	**$20,559,533**

*SOURCE OF FUNDS**

FFY 1996 CCDBG	$20,559,533

* FFY 1996 represents the final award for the CCDBG. These funds must be expended by September 30, 1999. This grant was replaced by the CCDF.

DIVISION OF CHILD DEVELOPMENT
FINAL Analysis of the Child Care and Development Block Grant
SFY 1997-1998

Item Number	Title	Actual SFY 95-96	Appropriated SFY 96-97 (HB 53)	Recommended Amount SFY 97-98	Appropriated/ Recommended Difference	Explanation of Difference
1	Child Care Subsidies	$16,900,635	$17,826,641	$17,581,167	($245,474)	Effective 10/01/96, the CCDBG was replaced by CCDF as a result of welfare reform (P.L. 104-193). The estimated balances of the FFY 1996 CCDBG are shown here as the recommended appropriation for SFY 1997-98. These will be the final appropriation amounts for CCDBG.
2	Administration	$1,594,439	$1,980,738	$488,366	($1,492,372)	
3	Increasing Availability	$4,261,476	$4,951,845	$1,750,000	($3,201,845)	
4	Improving Quality	$1,418,245	$1,650,614	$740,000	($910,614)	
	Total	**$24,174,795**	**$26,409,838**	**$20,559,533**	**($5,850,305)**	

DIVISION OF CHILD DEVELOPMENT
CHILD CARE AND DEVELOPMENT FUND PLAN FOR SFY 1997-1998

GENERAL DESCRIPTION

For State Fiscal Year 1997-98, funds available through the Child Care and Development Fund (CCDF) for appropriation are projected to be $158,903,378. Funding for FFY 1998 is estimated to be $166,236,605. CCDF funds are anticipated to be available on October 1, 1997. In addition, DHR is proposing to transfer $31.7 million in federal TANF funds to the Child Care and Development Fund.

Federal Welfare Reform

In 1996, the 104th Congress and the President delivered on their promise to reform the welfare system. President Clinton signed the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 into law on August 22, 1996. Child care plays a critical role in the reform effort, because as increased emphasis is placed on parents obtaining and maintaining employment, the demand for child care is anticipated to rise dramatically. The PRWORA contained several provisions pertaining to child care, the most comprehensive of which eliminated entitlements to child care subsidies for working families. A second clause consolidated all federal child care programs, including the Child Care and Development Block Grant, Family Support Act, and At-Risk child care, into the **Child Care and Development Fund** (CCDF). Although no additional CCDBG funds will be allocated in the future, the award received on September 30, 1996 can be expended until September 30, 1999.

Child Care Subsidies

As the new condensed Federal child care program, the purpose of the Child Care and Development Fund is to improve the availability, quality and affordability of child care. The CCDF is comprised of three funding streams: Mandatory, Matching and Discretionary. The legislation requires that a preponderance of the Mandatory and Matching Funds be used to provide child care assistance for families who are receiving public assistance, families who are attempting through work activities to transition off of such assistance, and families who are at-risk of becoming dependent on such assistance. The law further instructs that a substantial portion of the Discretionary funds be used to provide assistance to low-income working families.

Welfare reform, known as Work First in North Carolina, will require more people to go to work, resulting in an increased demand for child care subsidies. The Division of Child Development (DCD) is now charged with administering all subsidized child care programs, including those previously administered by the Division of Social Services (DSS) to provide subsidized child care to Work First participants. In anticipation of lower welfare caseloads and increased child care needs, DHR is proposing to transfer $31.7 million of Temporary Assistance for Needy Families (TANF) funds to the Child Care and Development Fund. Transferred funds will supplement the Discretionary funding stream, reserved for low-income working families. Coordination with DSS will continue as Work First is further implemented.

In addition to these subsidy restrictions, the PRWORA limits administrative costs (as defined by the Federal Administration for Children and Families) to 5% of the total CCDF allocation, and retains minimum health and safety standards for all providers caring for subsidized children.

State Legislation Affecting Child Care

In the 1996 legislative session, the North Carolina General Assembly also passed a bill (H.B. 53) containing new child care provisions. Effective September 1, 1996, the income eligibility limit for child care subsidies increased from 43% to 75% of the state median income (SMI). H.B. 53 also revised the previous sliding fee scale, requiring most parents who receive child care assistance to pay a portion of the cost. Parent fees are based on a percent of gross family income and adjusted for family size as follows:

Family Size	Percent of Gross Family Income
1-3	9%
4-5	8%
6 or more	7%

The implementation of this bill, in conjunction with the enactment of federal welfare reform, has expanded the State's ability to provide child care assistance to working families at-risk of going on welfare. Extending the income eligibility limit allows families to continue to receive child care subsidies after losing their public assistance benefits, significantly decreasing the likelihood that they will reapply for public assistance.

Quality and Availability Initiatives

Under the new welfare law, states are required to reserve at least 4% of their total CCDF allocation for quality and availability initiatives. While sufficient capacity to serve children who require out-of-home care is essential to welfare reform, the need for quality care is just as critical. Recent studies have demonstrated the importance of brain development in the first three years of life. A safe and nurturing environment which provides the opportunity to learn is critical to fostering healthy brain development and establishing the foundation for success later in life.

Since 1991, North Carolina has supported quality initiatives such as child care resource and referral, Head Start wrap-around care, child care coordinator grants, and a revolving loan fund for providers with federal funds. Additional activities developed in the years following, targeting special needs and school-age children, and teacher education, training, and compensation.

The Division of Child Development is adapting its approach to funding initiatives to improve the quality and increase the availability of child care. In January 1997, the Division launched its first of a series of Request for Proposals (RFP) in an effort to communicate the availability of CCDF funding while encouraging applications from a variety of organizations across the state. Although DCD anticipates continued funding for certain projects including resource and referral, special needs inclusion and monitoring improvement, it also welcomes proposals for new and innovative initiatives to meet the state's changing needs. To promote the collection of such proposals, DCD

hosted a dialogue on March 7, 1997 assembling advocates, providers, state agency representatives and others interested in the well-being of children to work together to strengthen the child care infrastructure in North Carolina. Later this spring, the Division will conduct at least one public hearing on our proposed State Plan for CCDF funding to further solicit public input on this new direction.

Finally, enhanced consumer education is clearly a priority of the new federal legislation. In response to this, the Division is developing a campaign to promote consumer education in North Carolina. CCDF initiatives will supplement projects already underway, such as a searchable database of information about child care facilities, a statewide child care resource center and hotline, and an on-line catalog of DCD programs and services. The Division is in the process of creating a home page on the Internet, to enable parents and other interested persons to access information about choosing quality child care, as well as learning about child care regulation in North Carolina. The home page will provide a direct link to the child care database, providing information on child care facilities throughout the state. DCD will also employ other methods, such as distributing brochures or videos, to further the consumer education effort.

DIVISION OF CHILD DEVELOPMENT
CHILD CARE AND DEVELOPMENT FUND PLAN FOR SFY 1997-1998

CCDF RECOMMENDATIONS	ALLOCATION
1. Appropriate $99.8 million to local agency services support and the provision of child care subsidies for low income working and other needy families. In order to meet Work First goals, current estimates indicate $83.7 million will be needed to serve approximately 60,054 children in SFY 97-98. Another $16.1 million will be required for working families at-risk of welfare dependency, providing subsidies for 13,139 children.	$99,845,334
2. P.L. 104-193 requires states to reserve at least 4% of their CCDF allotment for activities to improve the quality and increase the availability of child care. These funds will provide for the continuation of existing projects, as well as support new initiatives to enhance the quality of child care in North Carolina. Anticipated projects include increasing the availability of care for special needs children and school-age children, expanding resource and referral services and consumer education, promoting provider education and training, and improving the monitoring of child care facilities. In light of welfare reform, close attention will be paid to building the capacity of care, while ensuring quality supply.	$4,388,806
3. Limit administration costs of lead agency and local agencies which administer the child care subsidy program to 5% of the total CCDF allocation.	$5,486,007
4. Designate $49.2 million in state funds to maximize available federal funds for child care services and activities.	$49,183,231
5. Transfer $31.7 million from TANF to CCDF. The majority of the TANF funds will be used for child care subsidy and support. The transferred funds are subject to the same requirements that apply to CCDF (minimum 4% for quality improvement; 5% cap on administration).	$31,716,836
TOTAL ALLOCATION	**$190,620,214**

SOURCE OF FUNDS

FFY 1997 CCDF	$22,147,595
FFY 1998 CCDF	$87,572,552
TANF Transfer	$31,716,836
Smart Start	$21,500,000
Other State Subsidy Funds	$27,683,231

DIVISION OF CHILD DEVELOPMENT
Analysis of the Child Care and Development Fund
SFY 1997-1998

Item Number	Title	Actual SFY 95-96	Appropriated SFY 96-97 (HB 53)	Recommended Amount SFY 97-98	Appropriated/ Recommended Difference	Explanation of Difference
1	Child Care Subsidies	$0	$0	$99,845,334	$99,845,334	Increase due to welfare reform changes. All federal child care programs were consolidated into the CCDF.
2	Quality/Availability Improvements	$0	$0	$4,388,806	$4,388,806	Quality/Availability amount is 4% of total CCDF allocation, mandated by P.L. 104-193.
3	Administration	$0	$0	$5,486,007	$5,486,007	Admin amount represents 5% of total CCDF allotment, as prescribed by P.L. 104-193.
4	TANF Transfer	$0	$0	$31,716,836	$31,716,836	TANF funds transferred to CCDF are considered Discretionary, and are subject to 5% limit on administration and minimum 4% quality set-aside.
	Total Federal Funds	$0	$0	$141,436,983	$141,436,983	
5	State Funding					Provisions in the new welfare reform law require states to maintain at least the level of FSA expenditures from FFY 1995 in order to access federal Matching Funds.
	Maintenance of Effort (MOE)	$0	$0	$37,978,185	$37,978,185	The MOE will be met by expenditures of state funds for child care subsidies, including Smart Start subsidy funds.
	Matching Funds	$0	$0	$11,205,046	$11,205,046	The Matching Funds require a state match at the FY95 Medicaid rate.
	Total State Funds	$0	$0	$49,183,231	$49,183,231	At least 4% of state matching funds must be spent on Quality Initiatives. T.E.A.C.H. expenditures will meet this requirement.
	Combined Federal/State Funds	$0	$0	$190,620,214	$190,620,214	

DEPARTMENT OF HUMAN RESOURCES
DIVISION OF SOCIAL SERVICES

SOCIAL SERVICES BLOCK GRANT (SSBG)

For the State Fiscal Year 1997-98 the Social Services Block Grant funding level is projected to be $65,883,410 as is shown on page 3. This includes three fourths (75%) of the FFY 98 block grant ($48,605,339), one fourth (25%) of the FFY 97 block grant ($16,878,071), and a transfer from the Temporary Assistance for Needy Families (TANF) Block Grant in the amount of $400,000. The FFY 98 Social Services Block Grant funding level is currently estimated to be $64,807,119 . The FFY 97 Social Services Block Grant funding level is $67,512,284.

GENERAL DESCRIPTION

The Social Services Block Grant is intended to provide federal funds which support helping people achieve or maintain a greater degree of economic self-support or self-sufficiency, preventing abuse or exploitation of children and adults who are unable to protect their own interests, and preventing inappropriate institutional care or securing appropriate institutional care when other forms of care are not appropriate.

The primary providers of these services are the one hundred county departments of social services. Part of the funds within this block grant have been used to help meet the rapidly growing demand for day care services for children and in-home services for the elderly. Because North Carolina has more working mothers than any state in the union, it is vitally important that these services be available. Also, with a growing number of citizens over 65, more and more requests are being made for in-home services to help enable our senior citizens to remain in their own homes. In-home services include In-Home Aide Services, Adult Day Care, Preparation and Delivery of Meals, and Housing and Home Improvement. Thirteen services are mandated to be provided in every county. Five of these are required by State law: Foster Care Services for Adults and Children, Protective Services for Adults and Children, and Adoption Services. Other services may be provided at the discretion of state and local governments.

RECOMMENDATIONS

1. Allocation to the 100 county departments of social services for basic/mandatory services. $31,307,047

2. Allocation for in-home services provided by county departments of social services. $ 2,101,113

3.	Allocation to the Division of Mental Health, Developmental Disabilities and Substance Abuse Services for residential treatment, day treatment, ADAP, and developmental day care services, related cost of administration, and Community Living Skills Program.	$ 4,886,921
4.	Allocation to the Division of Services for the Blind for case management, chore and independent living services, and related costs of administration.	$ 3,205,711
5.	Allocation to the Division of Youth Services for therapeutic residential, therapeutic camping, intensive treatment program (STEP), and One-on-One volunteer services.	$ 967,153
6.	Allocation to the Division of Facility Services for group licensing and domiciliary care staff.	$ 426,836
7.	Allocation to the Division of Aging for the Home and Community Care Block Grant for persons age 60 and older, for training and education, and for respite care services.	$ 1,926,543
8.	Allocation to the Division of Child Development for the purchase of day care by county departments of social services and state level contracts.	$15,694,900
9.	Allocation to the Division of Vocational Rehabilitation Services - United Cerebral Palsy.	$ 73,910
10.	Allocation to the Division of Social Services to support direct and indirect state and regional administration.	$ 1,870,742
11.	Allocation to the Division of Social Services for the Child Medical Evaluation Program.	$ 238,321
12.	Allocation to county departments of social services for Adult Day Care Services.	$ 599,551
13.	Allocation to county departments of social services for Child Abuse/Prevention and Permanency Planning	$ 394,841
14.	Transfer to the Preventive Health Block Grant for the Emergency Medical Services Program in the Division of Facility Services, including the Trauma Registry.	$ 280,984

15.	Transfer to the Preventive Health Block Grant for AIDS education, counseling and testing.	$ 81,001
16.	Transfer to the Department of Administration for the N.C. Commission of Indian Affairs In Home Services Program for the elderly.	$ 203,198
17.	Allocation to the Division of Vocational Rehabilitation - Easter Seals Society.	$ 120,742
18.	Allocation to the Division of Social Services for the UNC-CH CARES Program for training and consultation services.	$ 247,920
19.	Transfer to the Maternal and Child Health Block Grant for community based services designed to reduce maternal and infant mortality and morbidity and to promote the health of mothers and children.	$ 613,276
20.	Allocation to the Office of the Secretary - Office of Economic Opportunity for N.C. Senior Citizens' Federation for outreach services to low-income elderly.	$ 42,700
21.	Transfer to the Department of Environment, Health and Natural Resources for expansion of the Maternal Outreach Worker program.	$ 600,000
	TOTAL	**$ 65,883,410**

SOURCE OF FUNDS

SSBG FFY 1997	$16,878,071
SSBG FFY 1998	$48,605,339
Transfer from TANF	$ 400,000

DIVISION OF SOCIAL SERVICES
Analysis of Social Services Block Grant
SFY 1997-1998

Item Number	Title	Actual SFY 95-96	Appropriated SFY 96-97 (HB 53)	SFY 96-97 Additional Grant Award	SFY 96-97 Total Funds	Recommended Amount SFY 97-98	Appropriated/ Recommended Difference	Explanation of Difference
1	County Departments of Social Services	36,738,981	30,395,663	2,119,106	32,514,769	31,307,047	911,384	The SFY 96-97 allocation was reduced due to a decrease in the federal grant award. This increase replaces a portion of the reduction.
2	Allocation for In-Home Services provided by County Departments of Social Services	2,101,110	2,101,113	0	2,101,113	2,101,113	0	
3	Division of Mental Health, Developmental Disabilities and Substance Abuse Services	4,841,212	4,764,124	249,001	5,013,125	4,886,921	122,797	The SFY 96-97 allocation was reduced due to a decrease in the federal grant award. This increase replaces a portion of the reduction.
4	Division of Services for the Blind	3,205,711	3,205,711	0	3,205,711	3,205,711	0	
5	Division of Youth Services	694,457	950,674	33,416	984,090	967,153	16,479	The SFY 96-97 allocation was reduced due to a decrease in the federal grant award. This increase replaces a portion of the reduction.
6	Division of Facility Services	307,264	343,341	0	343,341	426,836	83,495	The total SSBG allocation for the Division of Facility Services is unchanged. In prior years, DFS has received $83,495 to support Domiciliary Care staff from the allocation to the Division of Social Services for state administration. This amount is in addition to the allocation of $343,341specified for DFS in the BG Plan. These two amounts are combined for the 97-98 plan and the state allocation is reduced by $83,495.
7	Division of Aging, including allocation for training and education and for respite care services, and allocation for the Home and Community Care Block Grant	1,989,916	1,915,234	22,933	1,938,167	1,926,643	11,309	The allocation for the HCCBG of $1,649,077 is unchanged from SFY 96-97. The SFY 96-97 allocation for training/education/respite care was reduced due to a decrease in the federal grant award. This increase replaces a portion of the reduction.

Item Number	Title	Actual SFY 95-96	Appropriated SFY 96-97 (HB 53)	SFY 96-97 Additional Grant Award	SFY 96-97 Total Funds	Recommended Amount SFY 97-98	Appropriated/ Recommended Difference	Explanation of Difference
8	Division of Child Development -Day Care Services	11,328,067	15,694,900	0	15,694,900	15,694,900	0	
9	Division of Vocational Rehabilitation - United Cerebral palsy	86,500	71,484	4,919	76,403	73,910	2,426	The SFY 96-97 allocation was reduced due to a decrease in the federal grant award. This increase replaces a portion of the reduction.
10	State Administration	2,233,474	1,954,237	134,489	2,088,726	1,870,742	(83,495)	There is no change in the amount available for state administration. As noted for the Division of Facility Services, the state administration allocation previously included $83,495 for DFS. The DFS allocation has been increased to include this amount and the state administration allocation has been reduced accordingly.
11	Child Medical Evaluation Program	206,671	238,321	16,041	254,362	238,321	0	
12	Adult Day Care Services	599,551	599,551	0	599,551	599,551	0	
13	County Departments of Social Services for Child Abuse/Prevention and Permanency Planning	394,841	394,841	0	394,841	394,841	0	
14	Transfer to Preventive Health Block Grant for Emergency Medical Services	449,887	213,128	137,595	350,723	280,984	67,856	The SFY 96-97 allocation was reduced due to a decrease in the federal grant award. This increase replaces a portion of the reduction.
15	Allocation to Preventive Health Block Grant for AIDS Education, Counseling and Testing.	142,069	66,939	4,607	71,546	81,001	14,062	The SFY 96-97 allocation was reduced due to a decrease in the federal grant award. This increase replaces a portion of the reduction.
16	Transfer to Department of Administration for the N.C. Commission of Indian Affairs In Home Services Program for the elderly.	201,447	203,198	0	203,198	203,198	0	
17	Division of Vocational Rehabilitation - Easter Seals Society.	141,860	116,779	8,037	124,816	120,742	3,963	The SFY 96-97 allocation was reduced due to a decrease in the federal grant award. This increase replaces a portion of the reduction.
18	UNC-CH CARES Program for training and consultation services	211,719	247,920	17,062	264,982	247,920	0	

Item Number	Title	Actual SFY 95-96	Appropriated SFY 96-97 (HB 53)	SFY 96-97 Additional Grant Award	SFY 96-97 Total Funds	Recommended Amount SFY 97-98	Appropriated/ Recommended Difference	Explanation of Difference
19	Transfer to the Maternal and Child Health Block Grant for community based services designed to reduce maternal and infant mortality and morbidity and to promote the health of mothers and children.	2,024,649	239,261	65,521	304,782	613,276	374,015	The SFY 96-97 allocation was reduced due to a decrease in the federal grant award. This increase replaces a portion of the reduction.
20	Office of the Secretary - Office of Economic Opportunity for N.C. Senior Citizens' Federation for outreach services to low-income elderly persons	52,777	41,302	2,835	44,137	42,700	1,398	The SFY 96-97 allocation was reduced due to a decrease in the federal grant award. This increase replaces a portion of the reduction.
21	Transfer to DEHNR for expansion of the Maternal Outreach Worker Program.	0	0	0	0	600,000	600,000	These funds represent partial funding for an expansion of the Maternal Outreach Worker Program.
	Office of Citizen Affairs	49,077	0			0	0	
	Voluntary Sterilization Funds	98,710	0			0	0	
	Department of Administration for North Carolina Fund for Children	38,737	0			0	0	
	Division of Child Development for Head Start	147,467	0			0	0	
	TOTAL SOCIAL SERVICES BLOCK GRANT	**68,286,153**	**63,757,721**	**2,815,562**	**66,573,283**	**65,883,410**	**2,125,689**	

VISITOR REGISTRATION SHEET

Human R.S. — 4-1-97

Name of Committee — Date

VISITORS: Please sign below and return to Committee Clerk.

NAME	FIRM OR STATE AGENCY AND ADDRESS
Adele Fasches	Easter Seal Society of NC
Debbie Moyer	Easter Seal Society NC
RICHARD TIDEOUT	DHR/DYS ✓
Caroline Myers	Crisis Assistance Ministry PO Box 31636 Charlotte, NC 28231
Nels Rasland	STATE BUDGET OFFICE
Jenny Worth	CHS
Megan Souster	Easter Seals - Coalition 2001
C L Cochran	UCP-NC - Coalition 2001
Janet Swanson	NCARF C-2001
Sherry Smith Bradsher	Cumberland Co. Dept. of Social Services
Sharon Hirsch	NC Assn of Co Directors of Social Services
[illegible]	DMH/DD/SAS
Byron K. Haris	OSBM
Deshia Jackson	DSB
Jackie Stalvaker	DVRS
Robert [illegible]	DVRS
JoAnn Lamm	NCDSS
[illegible]	DHR - Caswell
Ben Watts	DHR - DSS
Gilbert R Mein	DHR - DSS

VISITOR REGISTRATION SHEET

Human Resources Public Hearing 4/1/97

Name of Committee Date

VISITORS: Please sign below and return to Committee Clerk.

NAME	FIRM OR STATE AGENCY AND ADDRESS
Bobby Woodard	OSBM
Wayne Sullivan	OSBM
Mike Eddinger	DHR/DFS/EAS
Jackie Sheppard	DHR/DFS
Lawrence Wilson	DHR/OEO
Polly Williams	NC Equity
Roberta Jamison	N.C. Community Action
Jeff Brown	NCED
Lindsay Brown	Citizen
Megan Carney	BSW Student - Meredith College
Lesley Warren	student
Mary Reeves	DCHNR
Barry Goldstein	DEHNR
Jim Upchurch	DHR/DFS
Paula A Wolf	Covenant with NC's Children
Jim Edgerton	OHR
Jim McCleskey	"
Dr. Bonitz	DHR
Meyer	OSBM
Beckie Street	PPAB

HOUSE APPROPRIATIONS SUBCOMMITTEE FOR HUMAN RESOURCES

Minutes
April 1, 1997
Afternoon Session, Room 424

The North Carolina General Assembly House Appropriations Subcommittee on Human Resources met jointly with the Senate Appropriations Subcommittee on Tuesday, April 1, 1997, at 3:45 P.M. in room 424 of the Legislative Office Building.

House Co-Chairperson Representative, Debbie Clary presided. Other House members present were:

Representative Alma Adams
Representative J.W. Hurley
Representative Edd Nye, Ranking Minority Member
Representative Cindy Watson

Representative Henry Aldridge had an excused absence. All Senate members were present.

Representative Clary called the meeting to order at 3:47. This session was a Block Grant Public Hearing continued from the morning session. First speaker to address the members was Lawrence Wilson, Director of Office of Economic Opportunities and gave a presentation for Community Services Block Grant. Next speaker was Roberta Faison from the North Carolina Community Action Association and gave a presentation on Low Income Home Energy Assistance Program. Next was Don Willis, Chief of Mental Health Services. He provided information on the Mental Health Services Block Grant. Following Mr. Willis came Flo Stein, Deputy Chief of Substance Abuse Services. She provided information on Substance Abuse Prevention and the Treatment Block Grant. Next came Leza Aycock, Budget Officer with Social Services. She spoke on behalf of the Social Services Block Grant. Last came Peggy Ball, Deputy Director for Division of Child Development. She spoke on behalf of the Child Care Development Block Grant.

The Representatives and Senators contributed to the various presentations with questions and comments directed at the presenters. Answers were provided to the Committee by Lou Wilson from NCALTCF, Flo Stein from Division of MHDDSAS, Peggy ball from Division of Child Development, Leza Aycock from Division of Social Services, Julie Rehder from NC Child Advocacy Institute, Paula Wolff from Covenant with North Carolina's Children, Helen Lipman from Mecklenburg County Department of Social Services, Chip Modlin from Cumberland County Department of Social Services, Henry

Hayes from Warren County Department of Social Services, and Kevin Fitzgerald from the Division of Social Services.

Upon completion of questions and answers, Representative Clary adjourned the meeting with the announcement that the Committee would reconvene at 8:30 the following morning.

The meeting was adjourned at 5:05 P.M.

Respectfully submitted,

Debbie Clary

Presiding Co-Chairperson - Representative Debbie Clary

Mary Jamison

Mary Jamison, Clerk

Attachment I	Agenda
Attachment II	Community Services Block Grant Comments
Attachment III	Visitor Registration

AGENDA

Joint Subcommittee on Human Resources Appropriations
Legislative Office Building - Room 424
Tuesday, April 1, 1997
8:30 a.m.

Open Public Hearing

Low Income Home Energy Assistance Program
Block Grant

Community Services Block Grant

Mental Health Services Block Grant

Substance Abuse Prevention and Treatment Block Grant

Social Services Block Grant

Child Care Development Block Grant

MS Faison

COMMUNITY SERVICES BLOCK GRANT
PUBLIC HEARING COMMENTS
APRIL 2, 1997

ON BEHALF OF THE NORTH CAROLINA COMMUNITY ACTION ASSOCIATION, THANK YOU FOR ALLOWING US THIS OPPORTUNITY TO COMMENT ON THE COMMUNITY SERVICES BLOCK GRANT, ITS PROGRAMS AND ACTIVITIES.

MANY CHANGES HAVE ~~OCCURRED~~ IN ~~THE PAST FEW YEARS~~ IN OUR NATION'S POLITICAL, SOCIAL AND ECONOMIC STRUCTURE; MAINSTREAM AMERICA HAS REDISCOVERED THE NEED TO ADDRESS THE IMPORTANCE OF FAMILY IN CORRECTING OUR SOCIETY'S ILLS. WELFARE REFORM HAS BECOME THE FOCUS OF THESE CHANGES. WHILE THIS HEARING TODAY IS DESIGNED TO MEET FEDERAL REQUIREMENTS TO ADDRESS THE STATE'S ALLOCATION OF C.S.B.G., WHICH BY FEDERAL STATUTE PASSES SOLELY TO COMMUNITY ACTION AND LIMITED PURPOSE AGENCIES, WE WISH TO POINT OUT A FEW OF THE MANY WAYS THESE AGENCIES HAVE SERVED AND CONTINUE TO SERVE OUR STATE'S LOW INCOME AND DISADVANTAGED POPULATION.

90 COUNTIES WILL BE ALLOCATED $12, 828,926. WHILE THIS DOES REFLECT AN INCREASE FROM PREVIOUS YEARS, PLEASE KEEP IN MIND THAT THIS IS THE FIRST INCREASE IN FUNDING IN 15 YEARS.

POPULATION INCREASES, WITH A CORRESPONDING NUMBER OF INCREASED POOR AND WORKING POOR, COUPLED WITH INFLATIONARY

FACTORS FOR THE PAST DECADE AND A HALF, LEAVES US WITH PRE-1981 DOLLARS. WE HAVE SURVIVED BECAUSE C.S.B.G. FUNDING IS UNIQUE IN THAT UNLIKE OTHER FEDERAL PROGRAMS, IT IS USED TO LEVERAGE OTHER LOCAL/STATE RESOURCES. A FEDERAL G.A.O. (GENERAL ACCOUNTING OFFICE) AUDIT HAS REVEALED THAT FOR EACH $1 OF C.S.B.G. FUNDING AT LEAST $7-$9 IN LOCAL/STATE FUNDS ARE LEVERAGED. ~~THESE ADDITIONAL DOLLARS ARE~~ IN THE FORM OF IN KIND SERVICES AND GOODS, SUCH AS BUILDINGS AND VOLUNTEER ASSISTANCE, OR IN THE FORM OF ADDITIONAL GRANTS OR PROGRAM SERVICES FUNDING.

OUR COMMUNITY ACTION AGENCIES IN NORTH CAROLINA ARE AS DIVERSE AS FEDERAL, STATE AND LOCAL FUNDING PROVIDED OR SOUGHT BY EACH GEOGRAPHIC AREA. WE ARE DIFFERENT FROM ANY OTHER CONCEPT THAT YOU WOULD FIND IN THE SOCIAL SERVICES SYSTEM. WE HAVE BEEN BRINGING FAMILIES TO ECONOMIC SELF SUFFICIENCY FOR MANY YEARS VIA COORDINATION OF EMPLOYMENT ASSISTANCE, JOB TRAINING AND EDUCATION, DAY CARE, HEAD START, BUDGETING AND INCOME MANAGEMENT, HOUSING REHABILITATION, WEATHERIZATION, SECTION 8 RENTAL ASSISTANCE, NUTRITION EDUCATION, COUNSELING AND EMERGENCY ASSISTANCE TO NAME A FEW. WE WORK WITH SENIOR CITIZENS VIA CONGREGATE MEAL SITES,

MEALS ON WHEELS AND OTHER SERVICES ESPECIALLY DESIGNED TO MEET THE NEEDS OF SENIORS. WE OPERATE MCKINNEY HOMELESS FUNDING, WRAP-AROUND PROGRAMS FOR HEAD START AND MORE AND MORE AGENCIES ARE CONSTRUCTING SINGLE AND MULTIFAMILY HOUSING.

WHILE WE ARE NOT IDENTICALLY THE SAME NAME, FACE, OR SERVICES IN ANY GIVEN AREA, FOR LOCAL BOARDS DIRECT AGENCIES TO ADDRESS LOCAL POVERTY CONCERNS BASED UPON AVAILABLE RESOURCES AND NETWORKING WITH OTHER EXISTING RESOURCES, UNIFORMLY WE WORK PRIMARILY TO BRING FAMILIES OUT OF POVERTY AND OFF WELFARE VIA A COMPREHENSIVE ASSESSMENT OF THE INDIVIDUAL'S AND FAMILIES NEEDS THROUGH A CASE MANAGEMENT SYSTEM. FROM THIS EVALUATION THE TOTAL NEEDS AND CONCERNS OF THE FAMILY ARE MET FROM THAT AGENCY AND THROUGH REFERRAL TO OTHER LOCAL AVAILABLE RESOURCES.

WE WANT TO EMPHASIZE THIS SO THAT THE STATE MIGHT BE MORE AWARE OF OUR EXPERIENCE AND EXPERTISE IN WORKING WITH THE TOTAL FAMILY AND CONSIDER OUR NETWORK AS THE FIRST ALTERNATIVE SHOULD PRIVATIZATION BECOME AN OPTION FOR LOCAL COUNTIES UNDER THE STATE'S WELFARE REFORM PLAN. WHILE WE APPLAUD THE STATE'S EFFORTS TO OVERHAUL THE CURRENT WELFARE SYSTEM,

WE CAUTION OUR LAWMAKERS TO STRONGLY ADVOCATE FOR EDUCATION AND ADVANCED TRAINING FOR THESE INDIVIDUALS THAT THEY MIGHT HOPE TO BE MORE THAN JUST WORKING, BUT STILL IN POVERTY. OUR EXPERIENCE HAS SHOWN THAT IT IS POSSIBLE FOR FAMILIES TO RISE ABOVE DEPENDENCY, BUT ARE MUCH MORE LIKELY TO REMAIN INDEPENDENT WHEN GIVEN THE PROPER TOOLS. IT IS POSSIBLE TO PUSH MANY PEOPLE OFF WELFARE WITHIN TWO YEARS AS THE AVERAGE STAY ON WELFARE IS ONLY 16 MONTHS. THERE WILL BE MANY CHALLENGES TO MOVE OTHERS DUE TO AVAILABLE JOBS--2/3 OF OUR COUNTIES HAVE SEEN POPULATION OUTPACE JOB GROWTH SINCE 1991, AVAILABLE TRANSPORTATION AND AVAILABLE CHILD CARE. ADDITIONALLY, OF THOSE WHO BECOME EMPLOYED, ACTUAL JOB READINESS WILL BE A CRUCIAL FACTOR. MANY THINGS WHICH WE IN THE WORKING WORLD TAKE AS SECOND NATURE WILL NOT COME SO EASILY FOR THOSE WHO HAVE BEEN CHRONICALLY UNEMPLOYED. FOR THESE, THE MORE DIFFICULT TASK WILL BE TO KEEP THEM FROM RETURNING TO WELFARE. 18% OF THE 36,501 PEOPLE WHO LEFT WELFARE UNDER WORK FIRST HAVE RETURNED BACK TO IT BY JANUARY 1997. THE URBAN INSTITUTE IN WASHINGTON REPORTS THAT TYPICALLY 40% OF RECIPIENTS WHO LEAVE WELFARE FOR WORK RETURN IN ONE YEAR AND ALMOST 70% RETURN WITHIN FIVE YEARS. OBSTACLES OTHER THAN AVAILABLE JOBS, TRANSPORTATION AND CHILD CARE WILL

HAVE TO BE ADDRESSED WITH MORE THAN THE CURRENT NUMBER OF CASEWORKERS--SERIOUS ONES SUCH AS ILLITERACY, ALCOHOL AND DRUG ABUSE, DOMESTIC ABUSE AND DEPRESSION.

AS THIS COMMITTEE WILL DEAL WITH THE FUNDING EVOLVING FROM WELFARE REFORM WE WOULD URGE YOU TO RECONSIDER THE TWO YEAR LIMIT FOR WELFARE WHICH IS STRICTER THAN THE FEDERAL LIMIT OF THREE YEARS. AS A MEMBER OF THE GOVERNOR'S TASK FORCE ON WELFARE REFORM COMMUNITY INVOLVEMENT COMMITTEE, WE AS A GROUP WORKING IN OUR EFFORTS TO DEFINE GUIDELINES AND RECOMMENDATIONS CAME TO FEEL THAT OUR MAJOR CONCERN WAS THAT WE WERE TRYING TO WORK ON A MOVING CAR WHOSE WARRANTY WAS EXPIRING. WE FELT WE SHOULD HAVE THE RULES IN PLACE, DECIDED UPON BY ALL THE LEGISLATORS IN OUR GREAT STATE BEFORE WE ASKED THOSE OF LESSOR ABILITIES TO LIVE THEIR LIVES BY THEM. WITH THAT SAID, WE AGAIN EMPHASIZE TO YOU THAT COMMUNITY ACTION HAS AN ADMINISTRATIVE AND FISCAL MECHANISM ALREADY IN PLACE TO SERVE AND ADDRESS THE WELFARE CRISIS IN NORTH CAROLINA. WE CAN MAKE ANY NEW DOLLARS STRETCH FURTHER THROUGH OUR NETWORK.WE WISH TO THANK THIS COMMITTEE FOR ITS TIME, AND FOR ITS SUPPORT OF OUR PROGRAMS AND SERVICES. THANK YOU FOR THIS OPPORTUNITY TO APPEAR BEFORE YOU TODAY.

VISITOR REGISTRATION SHEET

Committee: Appropriations Human Resources Public Hearing Date: April 1, 1997

VISITORS: Please sign below and return to Committee Clerk.

NAME	FIRM OR STATE AGENCY AND ADDRESS
Robert Jones	DVRS - DHR
Jackie Stalvenhen	DVRS - DHR
Charles Jackson	DSB - DHR
Byron K. Harris	OSBM
Bobby Woodard	OSBM
Wayne Wilham	OSBM
Stephen S. Martin	DEHNR - EPIDEMIOLOGY DIVISION
Bob Canupp	DEHNR Epidemiology
Robbie Moyer	Eastern Seals Society Inc
Megan Snyster	Eastern Seals - Coalition 2001
Jeremy Watts	Carolinas Healthcare System
C L Cochran	UCP-NC Coalition 2001
Patrice Rawls	NCACC
Janet Simons	NCARF - C-2001
Virginia Williams	Governor's Office
[illegible]	DMH/DD/SAS
Don Willis	" " "
Whitney Ohrig	" "
[illegible]	DMH/DD/SAS
Jessica Bell	DCD/DHR
Richard Rideout	DHR/DYS
Jim Lanchurch	DHR/DFS
Mike Eddinger	DHR/DFS
Jackie Shumaker	DHR/DFS
Shannon Ransone	DSS
Leza Aycock	"

VISITOR REGISTRATION SHEET

Committee: Appropriation Human Resources Public Hearing Date: Apr 1, 1993

VISITORS: Please sign below and return to Committee Clerk.

NAME	FIRM OR STATE AGENCY AND ADDRESS
John Tanner	DSS
Kevin Fitz Gerald	DSS
Sharon Hirsch	NC Assn. of ~~Co.~~ Directors of Social Servs.
Steve Shaber	Jordan Price Assoc. (Mary Jane)
Sherry Smith Bradsher	Cumberland Co. Dept. of Social Services
Chip Modlin	Cumberland Co. Dept. of Social Services
Henry Hayes	Johnston Co. Dept of Social Services
Jim McCleskey	DHR Budget + Analysis
Lee Whitfield	DHR
Robyn Lovett	NC Child Care Coalition
Becki Street	PPHB
Helen Lawson	Meck. Co. DSS
Julie Rehder	NC Child Advocacy Institute
Bonnie Cramer	DHR - Aging
Barbara Holt	NICCCT
Paula Wolf	Covenant w/NC's Children

JOINT APPROPRIATIONS SUBCOMMITTEE ON HUMAN RESOURCES

Minutes
April 8, 1997

The Joint Appropriations Subcommittee on Human Resources was convened by Representative Charlotte Gardner, Co-Chair of the House Committee, at 8:35 a.m. in Room 424. Five Senators were present and the following House committee members:

Representative Cansler	Representative Hurley
Representative Aldridge	Representative Adams
Representative Nye	Representative Alexander
Representative Watson	Representative Clary

Mary Ellen Sylvester, Fiscal Staff, reviewed the information on the Smart Start program (See Attachment #1) Mr. David Walker of the Department of Human Resources gave an update on the North Carolina Partnership for Children (Smart Start). See Attachment # 3. Several members questioned the total cost of fully funding the program and how many children it is reaching. Representative Watson asked what happened to the children in the program in Jones County she had observed, and what money are they getting in addition to state money. Mr. Walker will get that information for her. Senator Martin pointed out the Quarterly Report does not show what is being developed to determine what the program is doing and its effectiveness. (See Attachment #2)

The meeting was adjourned. The committee will meet in the afternoon 15 minutes after the latest Session.

Respectfully submitted,

Barbara R. Hocutt

Barbara R. Hocutt
Clerk

Approved by: Charlotte Gardner
Representative Charlotte Gardner, Co-Chair

CAG:brh

April 8, 1997
attachment #3

NORTH CAROLINA PARTNERSHIP FOR CHILDREN

Regionalization and Multi-County Collaboration

A total of $200,000 in non-Smart Start funds have been distributed to eight (8) local "clusters" of unfunded counties for the purpose of collaboration and planning toward regionalization or multi-county partnerships. An additional $192,000 in private funds has been approved by the Private Donors Advisory Group for allocation to a total of 8 "clusters" of funded and unfunded counties for the same purpose.

In total, nearly $400,000 in non-Smart Start funds have been allocated for planning and regional partnership/multi-county collaboration. These funds will impact 32 unfunded counties and 13 funded counties.

Private sector funds were also allocated for the hiring of a full-time Training and Evaluation Coordinator and two full-time Program Coordinators at the state partnership, who will provide technical assistance to the unfunded counties, as well as the funded counties.

The Orange County Partnership for Children and the Durham County Partnership for Children, which have jointly outsourced their financial management work to a private accounting firm, have collaborated with the Wake County Partnership for Children to have that firm perform those functions for all three local partnerships. Person County Partnership for Children has also expressed an interest in joining the collaboration.

Representatives from Alamance, Caswell, Rockingham and Stokes have recently met to discuss a four-county collaboration for Smart Start.

Chatham, Lee, Moore, Harnett and Sampson counties held their fourth meeting to develop a regional "Central Carolina Partnership for Children".

The Lenoir-Greene Partnership for Children has discussed the possibility of joint financial management which might include that partnership, Duplin county and Wilson county.

Buncombe County, a Year 3 partnership, has convened two meetings of representatives of three unfunded counties located within their Council of Governments (COG) -- Henderson, Transylvania and Madison counties.

Other counties that have met to discuss regionalization or multi-county collaboration are Rutherford, Cleveland, McDowell and Polk; Avery, Mitchell and Yancey; Alleghany, Ashe and Watauga; Warren and Halifax; Bertie, Northampton and Hertford; Currituck, Camden and Pasquotank; Hyde, Tyrell, Beaufort and Washington; Martin and Pitt; Craven, Jones, Pamlico and Carteret; Lincoln and Gaston; Granville, Vance and Franklin; Robeson, Hoke, Scotland and Bladen; Richmond and Montgomery; Wilkes,

Alexander and Yadkin; Chowan, Perquimans and Gates; Columbus, Brunswick, New Hanover and Pender.

Smart Start Expansion

With the approval by the NCPC Board of Directors, Requests for Applications (RFAs) were sent to all 45 unfunded counties on March 14th. Applications for Smart Start funding are to be submitted to the state partnership office by May 1st.

The applications will be reviewed by NCPC staff and a Review Committee. That committee will then make its recommendations on selected counties and present those to the NCPC Board at the May 9th meeting. Counties approved for selection would be notified on May 9th.

Contingent upon legislative approval of an expansion budget for FY '97/98, counties would be eligible to receive planning funds on October 1, 1997 (nine-month allocations, through June 30, 1998). Special incentives may be provided to those counties that collaborate in their planning process (i.e., Lincoln-Gaston; Granville-Vance-Franklin).

Private funds and other non-Smart Start funds (if renewed) would be used to supplement Smart Start planning (state) funds. Technical assistance, training, support, and other assistance would be provided by NCPC staff.

Financial and Contracts Management

The NCPC has assumed, from DHR, the responsibility for contracts management for the eleven Year 3 partnerships.

A new, uniform fund accounting system (MIP) has been selected for use by all of the local partnerships, effective July 1, 1997. Staff of the state and local partnerships worked with consultants from Deloitte and Touche in the selection of the system. Deloitte and Touche is currently engaged in the installation and training phase of this development.

A financial and contracts management unit has been established at the state partnership. This unit incudes eight staff, headed by Bonnie Parr, a CPA. These staff perform financial management and contracts assessment for the Year 3 and 4 partnerships and provide training and technical assistance to the other partnerships.

Smart Start Core Services

The state partnership's Strategic Planning Committee has developed a set of five core services that each partnership must address in their local plans. They include Health, Family Support, Child Care Accessibility, Affordability and Quality.

Smart Start funds could also be used for discretionary programs and services, as follows:

Management + Information

Year 1 at 5%
Year 2 at 10%
Year 3 at 15%

Joint planning and blending of funding sources will allow counties to integrate efforts and maximize services.

Administrative Costs

At its March meeting, the NCPC Board of Directors, acting on the recommendations of the Accountability Committee, voted to limit the administrative expenses for each local partnership to eight percent (8%). This formula is to be phased in over a two-year period, beginning July 1, 1997. Included in the revised formula will be a clear delineation of allowable administrative and program expenses.

Transportation Summit

A half-day transportation summit, co-sponsored by the NCDOT and NCPC, has been scheduled for April 24th to focus on current needs and issues related to public transportation and Smart Start programs. Participants will include the staff of local Smart Start partnerships, NC Department of Transportation staff, directors of local transportation authorities and representatives of the Human Services Transportation Council and the NCSU Institute for Transportation Research and Education.

The group will plan to review best practices and develop strategies for addressing local transportation needs and the resources that will be required.

Office Expansion

The state partnership has relocated its office to 1100 Wake Forest Road, in Raleigh (former site of Raleigh Hospital and Wake County United Way). This expansion was necessitated by the need for increased staffing and training in response to additional mandated responsibilities.

National Interest in Smart Start

- President Clinton's address to the NC General Assembly, on March 13th, mentioned Smart Start and plans to bring national attention to this initiative during next week's White House Conference on Early Childhood Development and learning.

- On March 14th, the House Minority Leader and Chairperson of the Success By Six program, in South Carolina, visited Raleigh and attended the NCPC Board meeting.

- A delegation from Gov. Lawton Chiles' administration plans to visit on May 28th to learn more about Smart Start.

- In Illinois, Rep. Carol Ronan introduced legislation to create an early childhood initiative modeled after Smart Start.

- In Hawaii, the Good Beginnings Program, also modeled after Smart Start, has been operating for the first eighteen months.

- Smart Start staff have participated in recent meetings or conferences sponsored by the National Governors Association (NGA), Carnegie Corporation Starting Points Initiative and the Finance Project.

- Also, a group from Budapest, Hungary met with several NCPC staff to learn more about early childhood programs that are administered by nonprofit organizations such as the state and local partnerships.

- NCPC Program Director, Karen Ponder, presented at the National Education Association's 1997 Regional Advisory Conference in Columbus, Ohio.

Local Partnership Advisory Committee

The first meeting of the Local Partnership Advisory Committee was held in March. The group, comprised of eight board chairs and seven executive directors of the local partnership, will serve in an advisory capacity to the state partnership. There are three representatives from each of Years 1-4 of the local partnerships, plus three representatives from the unfunded counties. The group plans to meet monthly and will select its own chair.

Fundraising Results

The state and local partnerships, combined, have raised $3.1 million, to date, during this fiscal year. The required match in private funds is $3.4 million for this year.

April 8, 1997

North Carolina Department of Human Resources
Division of Child Development

319 Chapanoke Road • P. O. Box 29553 • Raleigh, NC 27626-0553
Telephone Number: (919) 662-4499 • Fax: (919) 662-4570
Courier Number 56-20-17

James B. Hunt Jr., Governor
H. David Bruton, M.D., Secretary

Stephanie D. Fanjul, Director
Peggy M. Ball, Deputy Director

MEMORANDUM

TO: **Mary Ellen Sylvester**
Division of Fiscal Research
N. C. General Assembly

THRU: **Lee Kittredge, Director** Allyn Duffey for Lee Kittredge
Division of Budget & Analysis

FROM: **Stephanie Fanjul** Ron Penney for SF

DATE: **April 1, 1997**

SUBJECT: **Questions Related to Smart Start Subsidy Funding**

The following information is submitted in response to your request for assistance with responding to questions you received during your presentation of Child Development's budget to the Appropriations Committee.

1. Page 25 - Impact of Smart Start Subsidy Funds
Question: What was happening to the subsidy programs in Smart Start counties prior to Smart Start funds becoming available?

Prior to receiving Smart Start funds, the larger counties with well-established child care programs did not have enough funds to serve all families who needed child care subsidy. Smaller counties had funding they were unable to use because of insufficient child care slots and lack of resources at the county departments of social services to develop slots and provide services.

- Eight of the 18 Pioneer Smart Start Counties reverted subsidy funds in the years just prior to receiving Smart Start funding. In SFY 1994, the first year the counties received Smart Start funds, only 3 of the 18 Pioneer Counties reverted child care subsidy funds.

- In SFY 1993, the number of children on waiting lists in the Pioneer Counties was 3,916. Eighty-one percent (or 3,171) of these children were in Mecklenburg, Orange, and Cumberland counties and the seven counties which make up the Region A Smart Start Partnership in southwestern North Carolina. These 10 counties had been unable to serve additional children until they received Smart Start funds because they were using all of their subsidy funds.

- In the second set of counties which received Smart Start funding, only Catawba, Durham and Forsyth had the ability to use all their subsidy funds prior to receiving Smart Start funding in SFY 1995. 2,145 children were waiting for services in these 14 counties in SFY 1994. By December, 1996, these 14 counties were reporting only 690 children on the waiting lists.

Smart Start has provided additional subsidy funds to all Smart Start counties and has helped smaller counties develop the resources to serve more children.

2. Page 30 - Subsidized Child Care Expenditures
Question: Why did Smart Start subsidy spending decrease from January 1996 to January 1997?

- Special provision language accompanying the Smart Start legislation has allowed new Smart Start counties to carry their unspent Smart Start funds forward into the next fiscal year.

- The counties which first received Smart Start funding in SFY 1995 carried over $9.7 million to be used on a one-time basis. Approximately one-third of these funds were used for child care subsidy. Consequently, there were 3 million more Smart Start dollars available for child care subsidy in January 1996 than in January 1997.

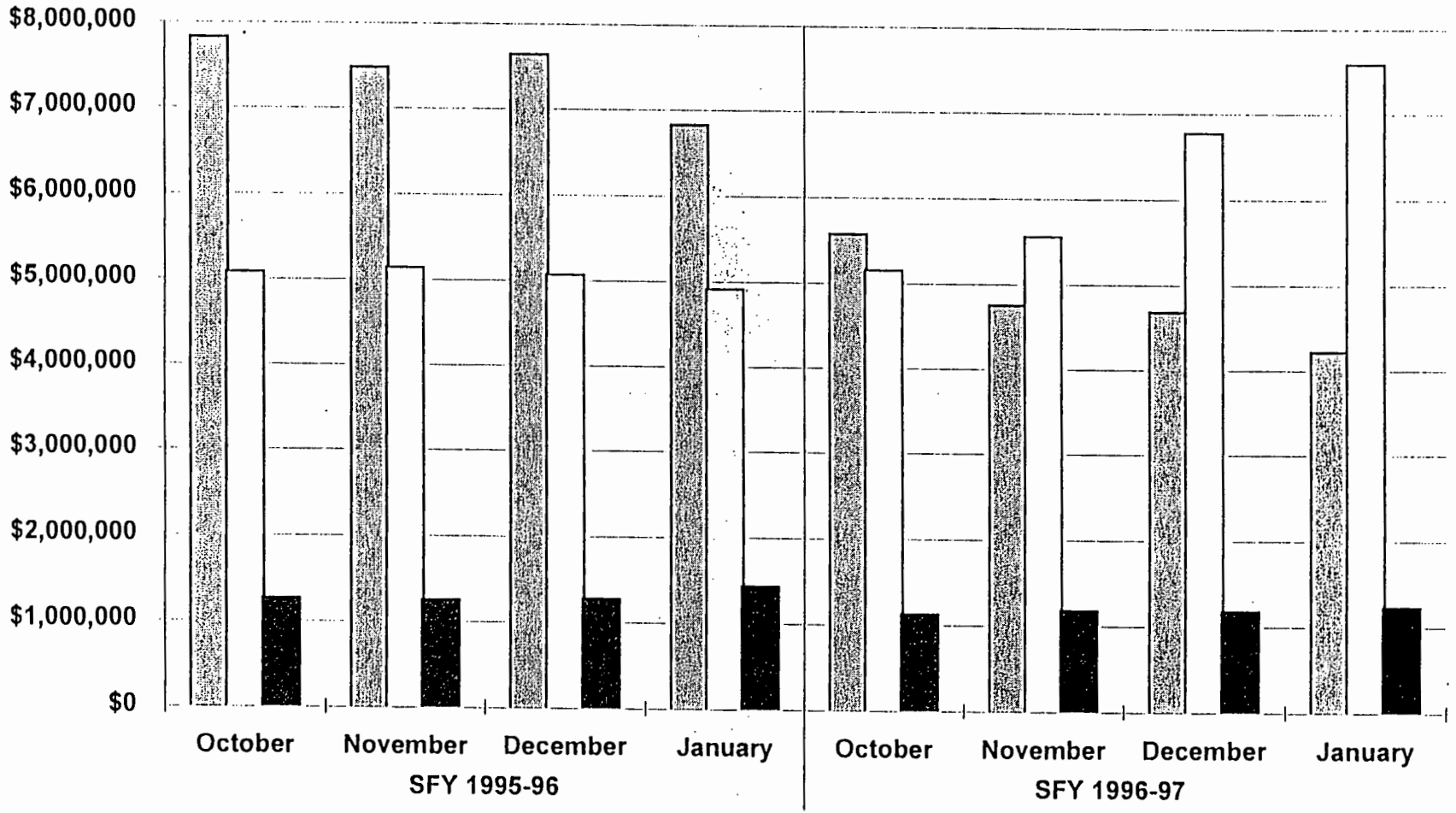
- No new Smart Start counties received funding for services in SFY 1996, therefore, no additional funds for Smart Start subsidy are available this year.

Please let me know if we can be of further assistance.

SDF/MG

cc: Jim Edgerton
Bobby Woodard

Subsidized Child Care Expenditures
October - January
SFY 1995-96 and SFY 1996-97



LOW INCOME HOME ENERGY ASSISTANCE PROGRAM
PUBLIC HEARING COMMENTS
APRIL 2, 1997

COMMITTEE CHAIRS, MEMBERS OF THE COMMITTEE, SECRETARY BRUTON/HUMAN RESOURCE STAFF, LEGISLATIVE AND FISCAL STAFF; MY NAME IS ROBERTA FAISON AND ON BEHALF OF THE N.C. COMMUNITY ACTION ASSOCIATION, PROVIDERS OF NORTH CAROLINA'S RESIDENTIAL ENERGY CONSERVATION ASSISTANCE PROGRAM KNOWN TO YOU BEST AS THE WEATHERIZATION ASSISTANCE PROGRAM, A RECIPIENT OF CRUCIAL LIHEAP FUNDING, WE THANK YOU FOR THIS OPPORTUNITY TO COMMENT ON THE LOW INCOME HOME ENERGY ASSISTANCE PROGRAM.

THE EARLY 1990'S HAVE SEEN AN INCREASE IN THE NUMBER OF WORKING POOR WHO HAVE MINIMUM WAGE, SERVICE SECTOR JOBS. ONE IN FIVE NORTH CAROLINIAN FAMILIES SUBSIST ON AN INCOME BELOW 150% OF THE POVERTY LEVEL. TWO THIRDS OF OUR COUNTIES IN NORTH CAROLINA HAVE SEEN POPULATION RATES OUTPACE JOB GROWTH. IN MOST COUNTIES OF NORTH CAROLINA, WHICH IS STILL CHIEFLY A RURAL STATE, LOW WAGE JOBS ARE THE NORM, RATHER THAN THE EXCEPTION. THESE LOW WEALTH FAMILIES FREQUENTLY OCCUPY OLDER HOUSING STOCK BUILT WITHOUT ENERGY CONSERVATION IN MIND. THE WORKING POOR, WHO ARE MARGINALLY ABLE TO MAKE IT ON THEIR INCOME, ARE PARTICULARLY ASSISTED BY OUR PROGRAM OF WEATHERIZATION. ENERGY REMAINS A HIGH COST ITEM FOR LOW INCOME FAMILIES AND WEATHERIZATION IS A LONG TERM SOLUTION WHICH HELPS

ALLEVIATE THIS PROBLEM WHILE ALSO REDUCING THE NEED FOR FUEL ASSISTANCE PAYMENTS.

IN A REPORT BY THE NATIONAL CONSUMER LAW CENTER, LOW INCOME NORTH CAROLINIANS CAN SPEND UP TO 35% OF THEIR INCOME ON ENERGY. WEATHERIZATION GREATLY REDUCES THIS BURDEN.

THE WEATHERIZATION ASSISTANCE PROGRAM ACTUALLY IMPROVES THE ENERGY EFFICIENCY OF THE HOME, THEREBY LOWERING CLIENTS MONTHLY FUEL BILLS. REDUCTIONS IN FUEL BILLS ARE ESPECIALLY IMPORTANT TO LOW INCOME FAMILIES WHO WALK THE LINE BETWEEN PAYING FOR HOUSING AND BEING HOMELESS. A 30% REDUCTION IN A MONTHLY FUEL BILL MAKES A SIGNIFICANT IMPACT FOR LOW INCOME FAMILIES STRUGGLING TO PAY FOR NECESSITIES. DOLLARS SAVED ON FUEL BILLS CAN THEREFORE BE DIRECTED TO THESE OTHER NECESSITIES, REDUCING DEPENDENCY ON OTHER FEDERAL AND STATE PROGRAMS. WEATHERIZATION IS A SOLUTION RATHER THAN A QUICK FIX, PROVIDING LONG TERM BENEFITS TO LOW INCOME FAMILIES. OUR EXPECTED "LIFETIME OF ENERGY REDUCTION" IS BASED ON A TWENTY YEAR TIME LINE.

INVESTMENT IS A KEY WORD DESCRIBING THE FEDERAL DOLLARS SPENT IN THE WEATHERIZATION PROGRAM. DUE TO INCREASED TECHNOLOGY, WE ARE NOW BETTER THAN EVER ABLE TO ACCURATELY DETERMINE THE AMOUNT OF ENERGY SAVED FROM THE PROGRAM. IN 1989, OAK RIDGE NATIONAL LABORATORY DEMONSTRATED THAT FOR EVERY $1 INVESTED IN WEATHERIZATION THE

PROGRAM PAID BACK $1.72 IN ENERGY SAVINGS. IN NORTH CAROLINA, A NATIONAL LEADER IN WEATHERIZATION, THE RETURN ON INVESTMENT WAS $1.95. SINCE 1989 NEW TECHNOLOGIES AND PROGRAM IMPROVEMENTS HAVE INCREASED OUR COST EFFECTIVENESS. IN NORTH CAROLINA, EVERY $1 INVESTED IN 1994 THERE WAS A RETURN OF $2.87. WE BELIEVE THAT A $3 RETURN ON INVESTMENT IOS POSSIBLE WITHIN LESS THAN 5 YEARS. BASED ON OAK RIDGE NATIONAL LABATORY EVALUATION WE KNOW THAT IN 1989 WE SAVED THE LOW INCOME FAMILY 18% IN ENERGY OR $150 PER YEAR. IN NORTH CAROLINA THAT SAME YEAR WE DEMONSTRATED SAVINGS OF 23% WHICH REPRESENTS A SAVINGS OF $248 TOWARD A LOW INCOME HOUSEHOLD'S FUEL BILL. IN 1994 THOSE SAVINGS INCREASED TO 32% OR $345 PER HOUSEHOLD WEATHERIZED. THESE SAVINGS ARE DRAMATIC AND CONTINUE TO ACCUMULATE OVER THE LIFE TIME OF THE UNIT WEATHERIZED.

4,270 UNITS COMPLETED IN 1996 @ $345 IN SAVINGS EQUATES TO $1,473,150 OR $29,463,000 OVER THE LIFETIME OF THE UNIT. KEEP IN MIND THIS IS JUST FOR THE UNITS LAST YEAR. WE HAVE WEATHERIZED OVER 78,000 UNITS SINCE THE BEGINNING OF THE PROGRAM. THE MATH ON THOSE NUMBERS IS STAGGERING TO SAY THE LEAST. ANOTHER AMAZING STATISTIC OTHER THAN THE REAL DOLLAR SAVINGS IN ENERGY COST IS THE NET DOLLAR VALUE OF NON-ENERGY IMPACTS. EXTENDING THE LIFE OF THE DWELLING $171, REDUCED FIRES $4, REDUCED ARREARAGES $44, FEDERAL TAXES GENERATED BY DIRECT EMPLOYMENT $75, INCOME GENERATED BY DIRECT

EMPLOYMENT $688, AVOIDED COSTS OF UNEMPLOYMENT BENEFITS $112, ENVIRINOMENTAL EXTERNALITIES $234 FOR A TOTAL OF $1,328 DOLLARS IN ADDITIONAL ECONOMIC BENEFITS.THIS IS WHY WE ARE SO PASSIONATE ABOUT OUR PROGRAM. NORTH CAROLINA, WE ARE PROUD TO SAY HAS ONE OF THE MOST EFFECTIVE IF NOT THE MOST EFFECTIVE AND EFFICIENT PROGRAMS IN THE NATION. WE THINK THAT IT SHOWS IN THIS DATA.

ANOTHER EXTREMELY IMPORTANT AND SOMETIMES OVER LOOKED BENEFIT OF THE WEATHERIZATION ASSISTANCE PROGRAM IS ITS ECONOMIC IMPACT ON LOCAL AND STATE ECONOMIES, FOR WEATHERIZATION CREATES AND SUSTAINS JOBS. 52 INDIVIDUALS ARE DIRECTLY EMPLOYED AND 22 JOBS ARE INDIRECTLY SUPPORTED FOR EVERY ONE MILLION DOLLARS INVESTED INTO THE PROGRAM. THAT EQUATES TO 32 MILLION IN ECONOMIC OUTPUT GENERATED EACH YEAR. IN A GREAT TIME OF SKEPTICISM ABOUT THE EFFECTIVENESS OF PUBLIC PROGRAMS, WEATHERIZATION IS AN EXAMPLE OF A FEDERAL/STATE/ COMMUNITY PARTNERSHIP THAT RETURNS MORE VALUE THAN THE TAXPAYER INVESTS AND DELIVERS MEASURABLE AND LONG-LASTING RESULTS.

THE WEATHERIZATION NETWORK IS A LEADER IN DEVELOPING CONSERVATION TECHNOLOGIES. WE HAVE PIONEERED MECHANISMS FOR THE IDENTIFICATION AND RESOLUTION OF PROBLEMS RELATING TO HOME HEALTH AND SAFETY.. IN NORTH CAROLINA ONE IN TEN HOMES ELIGIBLE FOR WEATHERIZATION HAVE SIGNIFICANT LEVELS OF CARBON MONOXIDE. THREE TIMES AS MANY HOMES HAVE SIGNIFICANT LEVELS OF NITROGEN DIOXIDE. BOTH GASES ARE

DANGEROUS. CARBON MONOXIDE IS A SILENT, DEADLY KILLER. NITROGEN DIOXIDE CAN CAUSE LONG TERM CHRONIC ILLNESS. THESE ARE SERIOUS HEALTH AND SAFETY ISSUES CAUSING POTENTIAL DEATHS AND IN CERTAIN PROBABILITY HEALTH PROBLEMS WHICH REFLECT UPON THE INDIGENT HEALTH CARE COSTS IN ALL 100 COUNTIES. CURRENTLY WE HAVE A STATEWIDE (THIS PAST YEAR) PROGRAM WORKING IN CONJUNCTION WITH WEATHERIZATION FUNDED THROUGH L.I.H.E.A.P. CALLED THE HEATING APPLIANCE REPAIR AND REPLACEMENT OR H.A.R.R.P., IT ALLOWS US TO EVALUATE, REPAIR OR REPLACE FAULTY HEATING SYSTEMS THAT POSE HEALTH AND SAFETY RISKS. COMMUNITY ACTION'S PRIMARY GOAL IS TO ASSIST FAMILIES ACHIEVE ECONOMIC SELF SUFFICIENCY, PROVIDING SERVICES TO MOVE THEM ABOVE THE POVERTY LEVEL. ECONOMIC SELF SUFFICIENCY PROGRAMS REMOVE THE BARRIERS THAT MAY BE KEEPING FAMILIES IN POVERTY. WASTED ENERGY BRINGS HUGE ENERGY COSTS, CREATES MANY POTENTIAL EVICTION SITUATIONS, AND CAUSES MANY TO CHOOSE BETWEEN HEATING, EATING, OR BUYING NECESSARY MEDICATION. 65% OF WEATHERIZATION SERVICES ARE PROVIDED TO LOW INCOME HOMEOWNERS IN OLDER HOUSING. IMPROVEMENTS IN HOUSING STOCK SUCH AS INSULATION AND FURNACE MODIFICATIONS REMAIN WITH A HOME AND BENEFIT LOW INCOME CLIENTS FOR MANY YEARS, THEREBY PRESERVING HOUSING STOCK AND ENERGY EFFICIENCY ITS EFFECT IN MANY AREAS IS VERY PRONOUNCED WHERE WEATHERIZATION SERVICES CAN REPRESENT THE ALTERNATIVE TO ABANDONMENT. 23% OF UNITS WEATHERIZED ARE FOR THE ELDERLY. THESE SERVICES OFTEN ALLOWS

SENIORS TO REMAIN IN THEIR HOMES LONGER REDUCING THE NEED FOR GOVERNMENT SUBSIDIES ON LONG TERM CARE IN EXPENSIVE NURSING OR REST HOMES. 35% OF WEATHERIZATION SERVICES IS PROVIDED TO RENTERS OF WHICH LANDLORDS MUST CONTRIBUTE 10% IN CASH TOWARD THE COST OF SINGLE FAMILY DWELLINGS AND 25% FOR MULTI-FAMILY DWELLINGS. THESE FUNDS ARE RETURNED TO THE WEATHERIZATION PROGRAM TO INCREASE THE NUMBER OF UNITS WEATHERIZED.

IN THE 1996 LEGISLATIVE YEAR THIS COMMITTEE UNANIMOUSLY RECOMMENDED APPLICATION TO H.H.S. FOR A FEDERAL WAIVER FOR THE WEATHERIZATION ASSISTANCE PROGRAM FROM THE L.I.H.E.A.P. BLOCK GRANT. THIS WAIVER REQUEST, ALLOCATING 25% OF THE STATE'S L.I.H.E.A.P. BLOCK GRANT TO WEATHERIZATION WAS AN IMPORTANT STEP IN RECOGNIZING THE NEED TO ADDRESS THE ROOT PROBLEM OF HIGH ENERGY COSTS IN A MORE COMPREHENSIVE AND EXTENSIVE MANNER. THE IMPLEMENTATION OF WAIVER REQUESTS FROM THE FEDERAL GOVERNMENT TO INCREASE THE PERCENTAGE OF L.I.H.E.A.P. BLOCK GRANT FUNDS FOR WEATHERIZATION IS DUE IN LARGE PART TO THE OVERWHELMING DATA TO DOCUMENT LONG TERM ENERGY SAVINGS AS A BETTER MEANS TO SUPPLEMENT THE LOW INCOME'S ENERGY NEEDS AND PERCENTAGE OF INCOME SPENT ON HEATING/COOLING. WE WOULD REQUEST YOU AGAIN TO RECOMMEND A 25% WAIVER REQUEST TO H.H.S. FOR WEATHERIZATION FROM LIHEAP, AS A PART OF ITS ANNUAL BLOCK GRANT PROCESS, PREVIOUSLY CONCLUDED AND RECOMMENDED BY THIS COMMITTEE.

WE DO HAVE ONE QUESTION ON THE DEPARTMENT'S BUDGET RECOMMENDATION OF 22.6% AS IT DOES NOT CORRESPOND TO THIS COMMITTEE'S PREVIOUS DECISION TO HAVE IN PLACE A STANDARD 25% OF FEDERAL FUNDING BE ALLOCATED FOR WEATHERIZATION.

TO CONCLUDE AND SUMMARIZE, THE IMPACTS OF THE LOW INCOME WEATHERIZATION PROGRAMS ARE NUMEROUS.

-REDUCES UTILITY ARREARAGE AND TERMINATIONS

-ALLOWS FAMILIES TO INCREASE PERCENTAGE OF THEIR INCOME ON OTHER HOUSEHOLD NECESSITIES SUCH AS FOOD AND MEDICINE

-IMPROVES HEALTH, SAFETY AND THERMAL COMFORT OF LOW INCOME HOMES INCLUDING PREVENTION OF IN FIRES FROM FAULTY HEATING UNITS

-GREATLY IMPROVES INDOOR AIR QUALITY WHICH CAUSES CHRONIC RESPIRATORY INFECTIONS OR DEATH IN THE CAUSE OF EMISSIONS OF CARBON DIOXIDE.

-EXTENDS THE LIFETIME OF LOW INCOME HOUSING, ALLOWS THE ELDERLY TO REMAIN LONGER IN THEIR HOMES, DECREASES HOMELESSNESS AND MOBILITY

WEATHERIZATION IS A COMPREHENSIVE PROGRAM THAT PROVIDES ECONOMIC BENEFITS TO LOW INCOME AMERICANS WHILE CONTRIBUTING TO ENERGY CONSERVATION, LESSENING ENVIRONMENTAL DEGRADATION CAUSED BY THE BUILDUP OF CARBON DIOXIDE IN THE ATMOSPHERE AND STIMULATES LOCAL ECONOMIES. IT IS THE TRUEST EXAMPLE OF THE KIND OF ASSISTANCE PROGRAM TO LOW INCOME FAMILIES THAT LEADS THEM TO ECONOMIC INDEPENDENCE SOUGHT BY THE STATE IN ITS EFFORTS OF WELFARE REFORM.

4/1/97

Department of Human Resources

Block Grants

Department of Human Resources

Community Services Block Grant	1
Mental Health Services Block Grant	6
Substance Abuse Prevention and Treatment Block Grant	10
Low Income Home Energy Assistance Program Block Grant (LIHEAP)	16
Child Care and Development Block Grant	20
Child Care and Development Fund	23
Social Services Block Grant	28

DEPARTMENT OF HUMAN RESOURCES
OFFICE OF ECONOMIC OPPORTUNITY

COMMUNITY SERVICES BLOCK GRANT (CSBG)

For the State fiscal year 1997-98 the funding level is estimated to be $12,828,926.

GENERAL DESCRIPTION

The Community Services Block Grant Program makes federal funds available to states to provide a range of services designed to assist low-income persons attain the skills, knowledge, and motivation necessary to achieve self-sufficiency.

The primary providers of services under this grant, as required by federal law, are the thirty-six Community Action Agencies (CAAs) in the state. Other grantees are seven Limited Purpose Agencies (LPAs) who were recipients of similar funds prior to the inception of the Community Services Block Grant Program. CAAs operate programs under the Community Services Block Grant in coordination with other federal, state, and local programs such as Head Start, Emergency Homeless, Weatherization, and Section 8 Rental Assistance.

Community Services Block Grant funds are used to provide a wide variety of services in local communities to serve identified needs of poor families. Programs allowed under the Community Services Block Grant Act are those which provide activities designed to assist low-income participants including the elderly poor:

- to secure and retain meaningful employment;
- to attain an adequate education;
- to make better use of available income;
- to obtain and maintain adequate housing and a suitable living environment;
- to obtain emergency assistance through loans or grants to meet immediate and urgent individual and family needs, including the need for health services, nutritious food, housing, and employment-related assistance;
- to remove obstacles and solve problems which block the achievement of self sufficiency;
- to achieve greater participation in the affairs of the community; and
- to make more effective use of other programs related to promoting the well being of the low-income population.

The specific services operated in each local community are determined by the local agency as a result of an assessment of the needs of low-income individuals and families in their service area which is used to develop a multi-year plan for services.

As required by the Community Services Block Grant Act, ninety per cent of the funds received are distributed to the thirty-six Community Action Agencies (CAAs) located throughout the state. Five percent, which is the maximum allowed by federal law, is used by the Department to administer the Program. The remainder is used to fund seven non-profit organizations known as Limited Purpose Agencies (LPAs).

Approximately twenty thousand low-income individuals are served annually under the program.

RECOMMENDATIONS	ALLOCATION
1. Allocate $641,446 to the Department of Human Resources to administer the grant. Staff renders technical assistance and monitors the Community Action Agencies and Limited Purpose Agencies for compliance with federal laws and regulations.	$641,446
2. Allocate $11,546,034 to the 36 Community Action Agencies (CAAs) which serve 86 counties for the purpose of providing administrative costs and to assist low-income families with housing, emergency assistance, education, energy, nutrition, income management, information and referral, and outreach. Federal rules require that 90% of the grant be allocated to CAAs.	$11,546,034
3. Allocate the remaining 5% of the grant in the amount of $641,446 to Limited Purpose Agencies which are agencies that address a specific need or population. The allocation and agency is as follows: - Telamon which provides assistance to seasonal and migrant farm workers ($80,181) - Low Income Housing Development Corporation (LIHDC) which assists non-profit agencies in packaging loans for housing construction and rehabilitation ($98,141) - N.C. Rural Fund for Development (NCRFD) which provides technical assistance to credit unions and cooperatives which serve low-income individuals and families ($233,486) - N.C. Senior Citizens Federation which sponsors statewide activities for low-income senior citizens ($116,743)	$641,446

- Western Economic Development Organization (WEDO) which assists organizations serving low-income and handicapped individuals secure manufacturing contracts ($61,579)
- United Senior Services which provides activity programs for senior citizens in Craven County ($24,375)
- N.C. Commission of Indian Affairs which provides programs for low-income Native Americans in the state in coordination with local tribal organizations ($26,941)

TOTAL FUNDING SFY 1997-98	$12,828,926
SOURCE OF FUNDS:	
BLOCK GRANT FUND FFY 1997	$3,207,232
BLOCK GRANT FUND FFY 1998	$9,621,694

DIVISION OF ECONOMIC OPPORTUNITY
Analysis of Community Services Block Grant
SFY 1997-1998

Item Number	Title	Actual SFY 95-96	Appropriated SFY 96-97 (HB 53)	Recommended Amount SFY 97-98	Appropriated/ Recommended Difference	Explanation of Difference
1	Admin	$426,339	$511,044	$641,446	$130,402	Administration is limited to 5% of the grant award and varies based on the award amount.
2	CAAs	$9,198,794	$9,198,794	$11,546,034	$2,347,240	Funds awarded to CAAs must be 90% of the total allocation and is based on award amount.
3	LPAs	$511,044	$511,044	$641,446	$130,402	Funds awarded to LPAs is 5% of the grant award and varies based on the award amount.
TOTAL		$10,136,177	$10,220,882	$12,828,926	$2,608,044	Difference represents the increase in the federal grant award for this period.

57

Department of Human Resources
Division of Mental Health, Developmental Disabilities
and Substance Abuse Services
Mental Health Services Block Grant
(MHBG) SFY 1998

FUNDING LEVEL

Federal funding available to North Carolina is $6,238,341 for FFY 97 and an estimated amount of $6,238,341 for FFY 98. The proposed MHGB plan utilizes the remaining FFY 97 amount of $2,549,000 plus $3,689,341 from the anticipated FFY 98 award.

Congress, as part of the block grant authorization legislation in FY 93, separated the Alcohol, Drug Abuse and Mental Health Block Grant into distinct mental health and substance abuse block grants.

GENERAL DESCRIPTION

The MHBG provides federal financial assistance to states for the provision of community-based services for the mentally ill. Services provided through the use of the block grant must be those described in the State's Plan in accordance with Federal P.L. 102-321. These services include outpatient, day treatment, psychosocial rehabilitation, emergency services, residential services, etc.

SIGNIFICANT FEDERAL REQUIREMENTS

The authorization and separation of the block grant was accompanied by changes in federal requirements. The primary Federal requirement related to the MHBG is:

Funds must be used for services specified in the States' Plan in accordance with P.L. 102-321.

PROPOSED EXPENDITURE PLAN:		ALLOCATION
I.	**Adult Mental Health Plan**	
	Allocate funds to local programs to provide community-based services for individuals with severe and persistent mental illness in accordance with the N.C. Community Mental Health Services Plan and Block Grant Application. Community-based programs provide an array of services, including crisis stabilization designed to divert individuals from institutional admission; liaison and case management services which facilitate the discharge of individuals from the state's psychiatric hospitals; special programs for the hearing impaired; and training activities.	$3,794,179
II.	**Child Mental Health Plan**	
	Continuation of Child Mental Health services in accordance with the North Carolina Community Mental Health Services Plan and Block Grant Application such as programs for adolescent sex offenders, respite services, family preservation programs, group homes, specialized foster care, therapeutic homes, professional parenting programs, and training.	$1,819,931
III.	**Administration**	
	Applicable to 5% of Administrative Cap (Monitoring, Data Collection, Budgeting, Payments and Accounting)	$305,552
	Not Applicable to 5% Administrative Cap (Contracts for Non-administrative Activities and Technical Assistance to Service Providers)	$318,679
	TOTAL REQUIREMENTS	$6,238,341
	Source of Funds	
	MHBG FFY 97	$2,549,000
	MHBG FFY 98	$3,689,341
	TOTAL FUNDS	$6,238,341

ITEM NUMBER	TITLE	ACTUAL FY 95-96	APPROPRIATED SFY 96-97	AUTHORIZED 96-97 2/28/97	RECOMMENDED 97-98
1	Adult Mental Health	$3,754,147	$3,794,179	$3,811,752	$3,794,179
2	Child Mental Health	1,779,692	1,802,819	1,821,720	1,819,931
3	Administration	579,399	572,897	722,881	624,231
	TOTAL	$6,113,238	$6,169,895	$6,356,353	$6,238,341

The Difference between the Appropriated and Authorized amounts are due to carryover revisions 11-439 ($132,507) and revision 11-480 ($53,951) for a total of $186,458.

ITEM NUMBER	TITLE	CERTIFIED BUDGET SFY 96-97	RECOMMENDED AMOUNT SFY 97-98	DIFFERENCE	EXPLANATION OF DIFFERENCE
1	Adult Mental Health	$3,794,179	$3,794,179	0	
2	Child Mental Health	1,802,819	1,819,931	17,112	Additional funds will be used to provide training for local service delivery staff on a variety of topics, such wrap around services, treating youthful sex offenders, etc.
3	Administration	572,897	624,231	51,334	Additional funds will be used to contract for the development of training curricula around the various aspects of serving persons with mental illness.
	TOTAL	$6,169,895	$6,238,341	68,446	

Department of Human Resources
Division of Mental Health, Developmental Disabilities
and Substance Abuse Services

Substance Abuse Prevention & Treatment Block Grant (SAPTBG) SFY 1998

FUNDING LEVEL

Federal Substance Abuse Prevention and Treatment Block Grant (SAPTBG) funding available to North Carolina is $29,096,347 for FFY97 and an estimated amount of $29,096,347 for FFY 98. These amounts represent a $2.3 million increase above the FFY 96 award. The proposed plan utilizes the remaining FFY 97 amount of 13,130,344 plus 17,825,481 from the FFY98 award.

GENERAL DESCRIPTION

The ADAMHA Reorganization Act of 1992 (P.L. 102-321) split the Alcohol, Drug, and Mental Health Services Block Grant (ADMBG) creating the new Block Grant for the Prevention and Treatment of Substance Abuse. The PTSABG provides federal financial assistance to state for the provision of prevention and treatment of alcohol and drug abuse.

SIGNIFICANT FEDERAL REQUIREMENTS

Federal requirements begun in 1993 continue into 1998. Congress authorized a special appropriation Section 105 (d) (2) of Public Law (P.L.) 104-121, of $50 million for fiscal years (FY) 1997 and 1998. "The conferees expect that states will use funds made available under this provision to provide treatment to current and former Supplemental Security Income (SSI) recipients as their first priority." North Carolina will receive $1,123,757. Federal requirements related to SAPTBG include:

1. State will expend not less than 35% of the allocation for alcohol and drug respectively.

2) Not less than 20% of the funds are to be set aside for prevention programs for individuals who do not require treatment for substance abuse to reduce the risk for such abuse. Prevention programs will include strategies to discourage the use of alcoholic beverages and tobacco products by individuals to whom it is unlawful to sell or distribute such products, The Synar Amendment requires that each state adopt and enforce laws prohibiting sale or distribution of tobacco products to those younger than 18 years of age. Effective October 1, 1994, if the Secretary of HHS determines that a state has failed to comply with the law, the State will lose significant federal funding from the SAPTBG (totaling 10% of the block grant funds in the first year, 20% in the second year, 30% in the third year, and 40% in the fourth and subsequent years). Final rules were published on January 19, 1996 (45 CFR Part 96).

3) The state will spend not less than 10% of grant monies to increase the availability of treatment services for pregnant women and women with dependent children with the provision that prenatal and child care be provided to those women while they are in treatment.

4) Interim services must be provided to those individuals in need of treatment for intravenous substance abuse if they cannot be admitted to treatment within 14 days.

5) The state will require treatment entities receiving funds under the grant to make available tuberculosis services to each individual receiving treatment.

6) States such as North Carolina where the rate of AIDs is 10 or more per 100,000 must spend at least 5% of the total award to provide early intervention services for person with or at risk for HIV/AIDs.

PROPOSED EXPENDITURE PLAN	ALLOCATION
A. Adult Substance Abuse Plan	
1. Continuation of community and ADATC based alcohol and drug services including prevention, intervention, treatment, rehabilitation, and detoxification. Funding to support intervention and treatment services for offenders who remain in the community. Funds will be used to provide treatment services for offenders with substance abuse problems in community punishment programs. Continue support for group homes for recovering substance abusers. Tuberculosis services will be provided to all program participants. Special services for the deaf will be provided at the ADATC in Greenville, NC. Programs will be required to screen clients for TB and other infectious diseases.	$10,935,939
2. Continuation of services for pregnant women and women with dependent children. Specialized services will be provided at the ADATCs for women.	5,060,076
3. Continuation of services to IV drug abusers and others at risk for HIV disease. Special services for IV drug users will be provided at the ADATCs.	4,836,407

B. Child Substance Abuse

Continue services to children and adolescent including prevention, high risk intervention and regional residential services. Services will include treatment for children in detention and training schools. Prevention activities will include strategies to discourage use of alcoholic beverages and tobacco products by individuals to whom it is unlawful to sell or distribute such products. Expanded services will be delivered in accordance with the 1993 Mental Health Study Commission Child and Adolescent Alcohol and Other Drug Abuse Plan. Increased funds will be used to replace Federal fund reductions for prevention from the U.S. Office of Education. — $5,964,093

5. Administration

Applicable to 5%Administrative Cap (Planning, Quality Assurance, Development of new treatment and prevention services and training for providers receiving Block Grant funds.) — 1,338,939

Not applicable to 5% Administrative Cap (Statutory requirement to identify those populations, areas, and localities with a need for substance abuse services. State shall document the extent to which the need for substance abuse services is greater than the availability of such services by locality. — 502,803

C. New Requirements

1. The State will make treatment available to current and former Supplemental Security Income (SSI) recipients whose disability is the result of alcoholism and drug dependence. The 5% HIV spending requirement applies to this new appropriation ($56,187). Funds appropriated must be tracked separately from the rest of the SAPTBG. These funds sunset in 1999. — $1,123,757

2.	Expansion funds will be used to provide substance abuse treatment for TANF participants whose disability make them unable to be successful in the workplace. Employee Assistance Programming for business employing TANF participants will be enhanced.	$1,193,811
TOTAL REQUIREMENTS		**$30,955,825**
	Source of Funds	
	SAPTBG FFY 97	13,130,344
	SAPTBG FFY 98	17,825,481
TOTAL FUNDS		**$30,955,825**

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ITEM NUMBER	TITLE	ACTUAL SFY 95-96	APPROPRIATED SFY 96-97	AUTHORIZED SFY 96-97 2/28/97	RECOMMENDED SFY 97-98
1	Adult Substance Abuse	10,362,241	10,935,939	10,989,181	10,935,939
2	Child Substance Abuse	5,172,884	5,964,093	6,024,862	5,964,093
3	Women's Substance Abuse	4,725,580	5,060,076	5,416,176	5,060,076
4	IV Drug	5,002,743	4,836,407	4,891,893	4,836,407
5	Supplemental Sec. Income	-	-	-	1,123,757
6	Sub. Abuse to TANF part.	-	-	-	1,193,811
7	Administration	1,807,619	1,841,742	1,841,742	1,841,742
	TOTAL	27,071,067	28,638,257	29,163,854	30,955,825

The Difference between the Appropriated and Authorized amounts are due to carryover revisions 11-734 ($21,207), 11-299 ($50,000), 11-323 ($282,044) and 11-552 ($172,346) for a total of $525,597.

Substance Abuse Prevention Treatment Block Grant for SFY 98

ITEM NUMBER	TITLE	CERTIFIED BUDGET SFY 96-97	RECOMMENDED AMOUNT SFY 97-98	DIFFERENCE	EXPLANATION
1	Adult Substance Abuse	10,935,939	10,935,939		
2	Child Substance Abuse	5,964,093	5,964,093		
3	Women's Substance Abuse	5,060,076	5,060,076	-	
4	IV Drug Services	4,836,407	4,836,407	-	
5	Supplemental Security Income	-	1,123,757	1,123,757	Expansion funds will be used to treat current and former Supplemental Security Income recipients whose disability is the result of alcoholism or drug dependence.
6	Treatment for TANF participants	-	1,193,811	1,193,811	Expansion funds will be used to provide substance abuse treatment for TANF participants whose disability makes them unable to be successful in the workplace.
7	Administration	1,841,742	1,841,742	-	
	TOTAL	28,638,257	30,955,825	2,317,568	

DEPARTMENT OF HUMAN RESOURCES
DIVISION OF SOCIAL SERVICES

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM BLOCK GRANT (LIHEAP)

For state fiscal year 1997-98, the total state Low Income Energy Program allocation is currently estimated to be $18,267,603 based on current projections that the FFY 98 award will be this amount.

GENERAL DESCRIPTION

The purpose of the Low Income Home Energy Assistance Program Block Grant is to provide funds to help low income families cope with cost increases of heating fuel and to provide emergency assistance. There are two components:

1. Low Income Home Energy Assistance Payments - Funds are used to provide a one-time payment to eligible households to help pay heating bills.

2. Crisis Intervention Assistance - Funds are used to assist low income people when a heating or cooling related crisis occurs. Allocations are provided to county departments of social services to make direct payments, vendor payments, or to provide in-kind services for eligible households.

RECOMMENDATIONS

1.	Allocation for Low Income Energy Assistance payments.	$ 6,284,055	
2.	Allocation for the Crisis Intervention Program.	$ 6,393,661	
3.	Allocation to the Department of Commerce for Weatherization Program.	$ 4,128,479	*
4.	Allocation for application taking by the Commission on Indian Affairs.	$ 33,022	
	Subtotal	$16,839,217	

* If the weatherization waiver is denied for FFY 98, the allocation would be reduced from 22.6% to 15% of the total or $2,740,140, and the Crisis Intervention Program allocation would be increased to 42.6% of the total or $7,782,000.

5.	Allocation for county administrative cost of the Low Income Energy Assistance Payments Program and the Crisis Intervention Program.	$1,285,547
6.	Allocation for state administrative cost of the Low Income Energy Assistance Payments Program and the Crisis Intervention Program.	$142,839
	Subtotal Administration	$ 1,428,386
	TOTAL	$18,267,603

SOURCE OF FUNDS:

LIEAP Block Grant FY 1998	$ 18,267,603

DIVISION OF SOCIAL SERVICES
Analysis of Low Income Energy Block Grant
SFY 1997-1998

Item Number	Title	Actual SFY 95-96	Appropriated SFY 96-97 (HB 53)	% of Total	Recommended Amount SFY 97-98	% of Total	Appropriated/ Recommended Difference	% of Change	Explanation of Difference
1	Allocation for Low Income Energy Assistance payments	7,843,905	5,216,233	31.98%	6,284,055	34.4%	1,067,822	20%	Increase to expand coverage to include all Food Stamps households headed by an adult age 65 or older and maintain average payment of $150.
2	Allocation for the Crisis Intervention Program	3,293,651	5,709,258	35.00%	6,393,661	35.00%	684,403	12%	Pro rata increase to maintain CIP at 35% of total grant.
3	Allocation for county and state administrative cost of Low Income Energy Assistance Payments and the Crisis Intervention Program	1,423,844	1,275,611	7.82%	1,428,386	7.82%	152,775	12%	Pro rata increase to maintain administration at 7.82% of total grant.
4	Allocation to the Department of Commerce for Weatherization Program	2,628,094	4,078,042	25.00%	4,128,479	22.6%	50,437	1%	Increase to support allocation above 15% of total grant provided waiver is allowed for allocation up to 22.6%.
5	Allocation for application taking by the Commission on Indian Affairs	32,258	33,022	0.20%	33,022	0.18%	0	0%	
	TOTAL	15,221,752	16,312,166	100.00%	18,267,603	100.00%	1,955,437	12%	

Revised
CCDF
3/20/97

DIVISION OF CHILD DEVELOPMENT
BLOCK GRANT PLANS FOR SFY 1997-98

DESCRIPTION OF PURPOSE FOR SUBMITTING TWO SEPARATE PLANS

This year the Division of Child Development (DCD) finds it necessary to submit two separate block grant plans. The first plan is for the final year of the **Child Care and Development Block Grant (CCDBG)** of 1990. The Division received its last CCDBG award of $26,046,174 on September 30, 1996. DCD expects to spend approximately $6 million of the grant in SFY 1997 and is presenting a plan for obligating the remainder of the grant in SFY 1998. Federal requirements allow three years to actually expend the funds.

On October 1, 1996, DCD received the first award of the new **Child Care and Development Fund (CCDF)**. A second plan for expenditures of this fund is attached. This grant will eventually replace the entitlement child care funds formerly provided by Title IV-A of the Social Security Act, the CCDBG described above, and several smaller grants which provided funding for quality improvement activities. However, some components of the new CCDF will not become available to states until October 1, 1997.

For SFY 1997-98 only, DCD will have access to and must plan for expenditures of both the old CCDBG and the new CCDF. The two grants are completely separate and are subject to very different federal requirements, therefore a plan is submitted for each of the two grants.

Revised
CCDF
3/20/97

DIVISION OF CHILD DEVELOPMENT
CHILD CARE AND DEVELOPMENT BLOCK GRANT PLAN FOR SFY 1997-1998

GENERAL DESCRIPTION

For State Fiscal Year 1997-98, funds available through the Child Care and Development Block Grant (CCDBG) for appropriation are projected to be $20,559,533. This amount represents the unobligated balance from the FFY 1996 award. No additional funding is anticipated.

Federal Welfare Reform

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 was signed into law on August 22, 1996. The law contains several provisions pertaining to child care, the most comprehensive of which eliminated entitlements to child care subsidies for working families. A second clause consolidated all federal child care programs, including the Child Care and Development Block Grant, Family Support Act, and At-Risk child care, into the Child Care and Development Fund (CCDF). Welfare reform marks the end of the CCDBG. However, the grant award received on September 30, 1996 can be expended until September 30, 1999.

The Child Care and Development Block Grant was designed to provide federal funds for activities to improve the availability, quality and affordability of child care. The grant is divided into four categories, each designated for specific purposes and funding.

Child Care Subsidies

Categories A and B comprise the 75% Reserve, so called because 75% of the total grant award must be allocated to it. Category A is designated for the provision of child care subsidies, and requires at least 90% of the Reserve amount. All administrative expenses of providing these services, as well as general grant administrative costs, must be paid from Category B, which receives the remainder of the 75% Reserve funds. Additionally, activities to improve the quality and availability of care may be funded in Category B.

Quality and Availability Initiatives

Similarly, the 25% Reserve of the grant is divided into two funding segments. Category C is intended to increase the availability of certain types of child care, Category D proposes to improve the quality of care. Category C must receive from 18.75% to 20.0% of the total grant and is restricted to activities to establish or expand early childhood development programs and before- and after-school services. Category D, which is eligible to receive between 5% and 6.25% of the total grant, is designated for use in any of five specific quality improvement activities. These activities include operating resource and referral programs, providing training and technical assistance to providers, making loans available to providers, monitoring improvement, and increasing salaries and other compensation for child care teachers.

DIVISION OF CHILD DEVELOPMENT
CHILD CARE AND DEVELOPMENT BLOCK GRANT PLAN FOR SFY 1997-1998

FINAL CCDBG RECOMMENDATIONS	ALLOCATION
1. Appropriate $17.6 million to continue funding for the provision of child care subsidies for low income families.	$17,581,167
2. Allocate $.5 million for the costs of lead agency administration and other programs for improving the availability and quality of care.	$488,366
3. Reserve $1.8 million for activities to build child care capacity. These funds will also provide for the continuation of existing projects to increase the availability of care for special needs children and school-age children.	$ 1,750,000
4. Designate $.7 million for quality improvement activities. Initiatives will include resource and referral services, provider training and enhanced compensation, and monitoring improvement.	$740,000
TOTAL ALLOCATION	**$20,559,533**

*SOURCE OF FUNDS**

FFY 1996 CCDBG	$20,559,533

* FFY 1996 represents the final award for the CCDBG. These funds must be expended by September 30, 1999. This grant was replaced by the CCDF.

DIVISION OF CHILD DEVELOPMENT
FINAL Analysis of the Child Care and Development Block Grant
SFY 1997-1998

Item Number	Title	Actual SFY 95-96	Appropriated SFY 96-97 (HB 53)	Recommended Amount SFY 97-98	Appropriated/ Recommended Difference	Explanation of Difference
1	Child Care Subsidies	$16,900,635	$17,826,641	$17,581,167	($245,474)	Effective 10/01/96, the CCDBG was replaced by CCDF as a result of welfare reform (P.L. 104-193).
2	Administration	$1,594,439	$1,980,738	$488,366	($1,492,372)	The estimated balances of the FFY 1996 CCDBG are shown here as the recommended appropriation for SFY 1997-98. These will be the final appropriation amounts for CCDBG.
3	Increasing Availability	$4,261,476	$4,951,845	$1,750,000	($3,201,845)	
4	Improving Quality	$1,418,245	$1,650,614	$740,000	($910,614)	
	Total	**$24,174,795**	**$26,409,838**	**$20,559,533**	**($5,850,305)**	

GENERAL DESCRIPTION

For State Fiscal Year 1997-98, funds available through the Child Care and Development Fund (CCDF) for appropriation are projected to be $158,903,378. Funding for FFY 1998 is estimated to be $166,236,605. CCDF funds are anticipated to be available on October 1, 1997. In addition, DHR is proposing to transfer $31.7 million in federal TANF funds to the Child Care and Development Fund.

Federal Welfare Reform

In 1996, the 104th Congress and the President delivered on their promise to reform the welfare system. President Clinton signed the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 into law on August 22, 1996. Child care plays a critical role in the reform effort, because as increased emphasis is placed on parents obtaining and maintaining employment, the demand for child care is anticipated to rise dramatically. The PRWORA contained several provisions pertaining to child care, the most comprehensive of which eliminated entitlements to child care subsidies for working families. A second clause consolidated all federal child care programs, including the Child Care and Development Block Grant, Family Support Act, and At-Risk child care, into the **Child Care and Development Fund** (CCDF). Although no additional CCDBG funds will be allocated in the future, the award received on September 30, 1996 can be expended until September 30, 1999.

Child Care Subsidies

As the new condensed Federal child care program, the purpose of the Child Care and Development Fund is to improve the availability, quality and affordability of child care. The CCDF is comprised of three funding streams: Mandatory, Matching and Discretionary. The legislation requires that a preponderance of the Mandatory and Matching Funds be used to provide child care assistance for families who are receiving public assistance, families who are attempting through work activities to transition off of such assistance, and families who are at-risk of becoming dependent on such assistance. The law further instructs that a substantial portion of the Discretionary funds be used to provide assistance to low-income working families.

Welfare reform, known as Work First in North Carolina, will require more people to go to work, resulting in an increased demand for child care subsidies. The Division of Child Development (DCD) is now charged with administering all subsidized child care programs, including those previously administered by the Division of Social Services (DSS) to provide subsidized child care to Work First participants. In anticipation of lower welfare caseloads and increased child care needs, DHR is proposing to transfer $31.7 million of Temporary Assistance for Needy Families (TANF) funds to the Child Care and Development Fund. Transferred funds will supplement the Discretionary funding stream, reserved for low-income working families. Coordination with DSS will continue as Work First is further implemented.

In addition to these subsidy restrictions, the PRWORA limits administrative costs (as defined by the Federal Administration for Children and Families) to 5% of the total CCDF allocation, and retains minimum health and safety standards for all providers caring for subsidized children.

State Legislation Affecting Child Care

In the 1996 legislative session, the North Carolina General Assembly also passed a bill (H.B. 53) containing new child care provisions. Effective September 1, 1996, the income eligibility limit for child care subsidies increased from 43% to 75% of the state median income (SMI). H.B. 53 also revised the previous sliding fee scale, requiring most parents who receive child care assistance to pay a portion of the cost. Parent fees are based on a percent of gross family income and adjusted for family size as follows:

Family Size	Percent of Gross Family Income
1-3	9%
4-5	8%
6 or more	7%

The implementation of this bill, in conjunction with the enactment of federal welfare reform, has expanded the State's ability to provide child care assistance to working families at-risk of going on welfare. Extending the income eligibility limit allows families to continue to receive child care subsidies after losing their public assistance benefits, significantly decreasing the likelihood that they will reapply for public assistance.

Quality and Availability Initiatives

Under the new welfare law, states are required to reserve at least 4% of their total CCDF allocation for quality and availability initiatives. While sufficient capacity to serve children who require out-of-home care is essential to welfare reform, the need for quality care is just as critical. Recent studies have demonstrated the importance of brain development in the first three years of life. A safe and nurturing environment which provides the opportunity to learn is critical to fostering healthy brain development and establishing the foundation for success later in life.

Since 1991, North Carolina has supported quality initiatives such as child care resource and referral, Head Start wrap-around care, child care coordinator grants, and a revolving loan fund for providers with federal funds. Additional activities developed in the years following, targeting special needs and school-age children, and teacher education, training, and compensation.

The Division of Child Development is adapting its approach to funding initiatives to improve the quality and increase the availability of child care. In January 1997, the Division launched its first of a series of Request for Proposals (RFP) in an effort to communicate the availability of CCDF funding while encouraging applications from a variety of organizations across the state. Although DCD anticipates continued funding for certain projects including resource and referral, special needs inclusion and monitoring improvement, it also welcomes proposals for new and innovative initiatives to meet the state's changing needs. To promote the collection of such proposals, DCD

hosted a dialogue on March 7, 1997 assembling advocates, providers, state agency representatives and others interested in the well-being of children to work together to strengthen the child care infrastructure in North Carolina. Later this spring, the Division will conduct at least one public hearing on our proposed State Plan for CCDF funding to further solicit public input on this new direction.

Finally, enhanced consumer education is clearly a priority of the new federal legislation. In response to this, the Division is developing a campaign to promote consumer education in North Carolina. CCDF initiatives will supplement projects already underway, such as a searchable database of information about child care facilities, a statewide child care resource center and hotline, and an on-line catalog of DCD programs and services. The Division is in the process of creating a home page on the Internet, to enable parents and other interested persons to access information about choosing quality child care, as well as learning about child care regulation in North Carolina. The home page will provide a direct link to the child care database, providing information on child care facilities throughout the state. DCD will also employ other methods, such as distributing brochures or videos, to further the consumer education effort.

DIVISION OF CHILD DEVELOPMENT
CHILD CARE AND DEVELOPMENT FUND PLAN FOR SFY 1997-1998

CCDF RECOMMENDATIONS	ALLOCATION
1. Appropriate $99.8 million to local agency services support and the provision of child care subsidies for low income working and other needy families. In order to meet Work First goals, current estimates indicate $83.7 million will be needed to serve approximately 60,054 children in SFY 97-98. Another $16.1 million will be required for working families at-risk of welfare dependency, providing subsidies for 13,139 children.	$99,845,334
2. P.L. 104-193 requires states to reserve at least 4% of their CCDF allotment for activities to improve the quality and increase the availability of child care. These funds will provide for the continuation of existing projects, as well as support new initiatives to enhance the quality of child care in North Carolina. Anticipated projects include increasing the availability of care for special needs children and school-age children, expanding resource and referral services and consumer education, promoting provider education and training, and improving the monitoring of child care facilities. In light of welfare reform, close attention will be paid to building the capacity of care, while ensuring quality supply.	$4,388,806
3. Limit administration costs of lead agency and local agencies which administer the child care subsidy program to 5% of the total CCDF allocation.	$5,486,007
4. Designate $49.2 million in state funds to maximize available federal funds for child care services and activities.	$49,183,231
5. Transfer $31.7 million from TANF to CCDF. The majority of the TANF funds will be used for child care subsidy and support. The transferred funds are subject to the same requirements that apply to CCDF (minimum 4% for quality improvement; 5% cap on administration).	$31,716,836
TOTAL ALLOCATION	**$190,620,214**

SOURCE OF FUNDS

FFY 1997 CCDF	$22,147,595
FFY 1998 CCDF	$87,572,552
TANF Transfer	$31,716,836
Smart Start	$21,500,000
Other State Subsidy Funds	$27,683,231

DIVISION OF CHILD DEVELOPMENT
Analysis of the Child Care and Development Fund
SFY 1997-1998

Item Number	Title	Actual SFY 95-96	Appropriated SFY 96-97 (HB 53)	Recommended Amount SFY 97-98	Appropriated/ Recommended Difference	Explanation of Difference
1	Child Care Subsidies	$0	$0	$99,845,334	$99,845,334	Increase due to welfare reform changes. All federal child care programs were consolidated into the CCDF.
2	Quality/Availability Improvements	$0	$0	$4,388,806	$4,388,806	Quality/Availability amount is 4% of total CCDF allocation, mandated by P.L. 104-193.
3	Administration	$0	$0	$5,486,007	$5,486,007	Admin amount represents 5% of total CCDF allotment, as prescribed by P.L. 104-193.
4	TANF Transfer	$0	$0	$31,716,836	$31,716,836	TANF funds transferred to CCDF are considered Discretionary, and are subject to 5% limit on administration and minimum 4% quality set-aside.
	Total Federal Funds	$0	$0	$141,436,983	$141,436,983	
5	State Funding					Provisions in the new welfare reform law require states to maintain at least the level of FSA expenditures from FFY 1995 in order to access federal Matching Funds.
	Maintenance of Effort (MOE)	$0	$0	$37,978,185	$37,978,185	The MOE will be met by expenditures of state funds for child care subsidies, including Smart Start subsidy funds.
	Matching Funds	$0	$0	$11,205,046	$11,205,046	The Matching Funds require a state match at the FY95 Medicaid rate.
	Total State Funds	$0	$0	$49,183,231	$49,183,231	At least 4% of state matching funds must be spent on Quality Initiatives. T.E.A.C.H. expenditures will meet this requirement.
	Combined Federal/State Funds	$0	$0	$190,620,214	$190,620,214	

DEPARTMENT OF HUMAN RESOURCES
DIVISION OF SOCIAL SERVICES

SOCIAL SERVICES BLOCK GRANT (SSBG)

For the State Fiscal Year 1997-98 the Social Services Block Grant funding level is projected to be $65,883,410 as is shown on page 3. This includes three fourths (75%) of the FFY 98 block grant ($48,605,339), one fourth (25%) of the FFY 97 block grant ($16,878,071), and a transfer from the Temporary Assistance for Needy Families (TANF) Block Grant in the amount of $400,000. The FFY 98 Social Services Block Grant funding level is currently estimated to be $64,807,119 . The FFY 97 Social Services Block Grant funding level is $67,512,284.

GENERAL DESCRIPTION

The Social Services Block Grant is intended to provide federal funds which support helping people achieve or maintain a greater degree of economic self-support or self-sufficiency, preventing abuse or exploitation of children and adults who are unable to protect their own interests, and preventing inappropriate institutional care or securing appropriate institutional care when other forms of care are not appropriate.

The primary providers of these services are the one hundred county departments of social services. Part of the funds within this block grant have been used to help meet the rapidly growing demand for day care services for children and in-home services for the elderly. Because North Carolina has more working mothers than any state in the union, it is vitally important that these services be available. Also, with a growing number of citizens over 65, more and more requests are being made for in-home services to help enable our senior citizens to remain in their own homes. In-home services include In-Home Aide Services, Adult Day Care, Preparation and Delivery of Meals, and Housing and Home Improvement. Thirteen services are mandated to be provided in every county. Five of these are required by State law: Foster Care Services for Adults and Children, Protective Services for Adults and Children, and Adoption Services. Other services may be provided at the discretion of state and local governments.

RECOMMENDATIONS

1. Allocation to the 100 county departments of social services for basic/mandatory services. $31,307,047

2. Allocation for in-home services provided by county departments of social services. $ 2,101,113

3.	Allocation to the Division of Mental Health, Developmental Disabilities and Substance Abuse Services for residential treatment, day treatment, ADAP, and developmental day care services, related cost of administration, and Community Living Skills Program.	$ 4,886,921
4.	Allocation to the Division of Services for the Blind for case management, chore and independent living services, and related costs of administration.	$ 3,205,711
5.	Allocation to the Division of Youth Services for therapeutic residential, therapeutic camping, intensive treatment program (STEP), and One-on-One volunteer services.	$ 967,153
6.	Allocation to the Division of Facility Services for group licensing and domiciliary care staff.	$ 426,836
7.	Allocation to the Division of Aging for the Home and Community Care Block Grant for persons age 60 and older, for training and education, and for respite care services.	$ 1,926,543
8.	Allocation to the Division of Child Development for the purchase of day care by county departments of social services and state level contracts.	$15,694,900
9.	Allocation to the Division of Vocational Rehabilitation Services - United Cerebral Palsy.	$ 73,910
10.	Allocation to the Division of Social Services to support direct and indirect state and regional administration.	$ 1,870,742
11.	Allocation to the Division of Social Services for the Child Medical Evaluation Program.	$ 238,321
12.	Allocation to county departments of social services for Adult Day Care Services.	$ 599,551
13.	Allocation to county departments of social services for Child Abuse/Prevention and Permanency Planning	$ 394,841
14.	Transfer to the Preventive Health Block Grant for the Emergency Medical Services Program in the Division of Facility Services, including the Trauma Registry.	$ 280,984

15.	Transfer to the Preventive Health Block Grant for AIDS education, counseling and testing.	$ 81,001
16.	Transfer to the Department of Administration for the N.C. Commission of Indian Affairs In Home Services Program for the elderly.	$ 203,198
17.	Allocation to the Division of Vocational Rehabilitation - Easter Seals Society.	$ 120,742
18.	Allocation to the Division of Social Services for the UNC-CH CARES Program for training and consultation services.	$ 247,920
19.	Transfer to the Maternal and Child Health Block Grant for community based services designed to reduce maternal and infant mortality and morbidity and to promote the health of mothers and children.	$ 613,276
20.	Allocation to the Office of the Secretary - Office of Economic Opportunity for N.C. Senior Citizens' Federation for outreach services to low-income elderly.	$ 42,700
21.	Transfer to the Department of Environment, Health and Natural Resources for expansion of the Maternal Outreach Worker program.	$ 600,000
	TOTAL	**$ 65,883,410**

SOURCE OF FUNDS

SSBG FFY 1997	$16,878,071
SSBG FFY 1998	$48,605,339
Transfer from TANF	$ 400,000

DIVISION OF SOCIAL SERVICES
Analysis of Social Services Block Grant
SFY 1997-1998

Item Number	Title	Actual SFY 95-96	Appropriated SFY 96-97 (HB 53)	SFY 96-97 Additional Grant Award	SFY 96-97 Total Funds	Recommended Amount SFY 97-98	Appropriated/ Recommended Difference	Explanation of Difference
1	County Departments of Social Services	36,738,981	30,395,663	2,119,106	32,514,769	31,307,047	911,384	The SFY 96-97 allocation was reduced due to a decrease in the federal grant award. This increase replaces a portion of the reduction.
2	Allocation for In-Home Services provided by County Departments of Social Services	2,101,110	2,101,113	0	2,101,113	2,101,113	0	
3	Division of Mental Health, Developmental Disabilities and Substance Abuse Services	4,841,212	4,764,124	249,001	5,013,125	4,886,921	122,797	The SFY 96-97 allocation was reduced due to a decrease in the federal grant award. This increase replaces a portion of the reduction.
4	Division of Services for the Blind	3,205,711	3,205,711	0	3,205,711	3,205,711	0	
5	Division of Youth Services	694,457	950,674	33,416	984,090	967,153	16,479	The SFY 96-97 allocation was reduced due to a decrease in the federal grant award. This increase replaces a portion of the reduction.
6	Division of Facility Services	307,264	343,341	0	343,341	426,836	83,495	The total SSBG allocation for the Division of Facility Services is unchanged. In prior years, DFS has received $83,495 to support Domiciliary Care staff from the allocation to the Division of Social Services for state administration. This amount is in addition to the allocation of $343,341specified for DFS in the BG Plan. These two amounts are combined for the 97-98 plan and the state allocation is reduced by $83,495.
7	Division of Aging, including allocation for training and education and for respite care services, and allocation for the Home and Community Care Block Grant	1,989,916	1,915,234	22,933	1,938,167	1,926,643	11,309	The allocation for the HCCBG of $1,649,077 is unchanged from SFY 96-97. The SFY 96-97 allocation for training/education/respite care was reduced due to a decrease in the federal grant award. This increase replaces a portion of the reduction.

Item Number	Title	Actual SFY 95-96	Appropriated SFY 96-97 (HB 53)	SFY 96-97 Additional Grant Award	SFY 96-97 Total Funds	Recommended Amount SFY 97-98	Appropriated/ Recommended Difference	Explanation of Difference
8	Division of Child Development -Day Care Services	11,328,067	15,694,900	0	15,694,900	15,694,900	0	
9	Division of Vocational Rehabilitation - United Cerebral palsy	86,500	71,484	4,919	76,403	73,910	2,426	The SFY 96-97 allocation was reduced due to a decrease in the federal grant award. This increase replaces a portion of the reduction.
10	State Administration	2,233,474	1,954,237	134,489	2,088,726	1,870,742	(83,495)	There is no change in the amount available for state administration. As noted for the Division of Facility Services, the state administration allocation previously included $83,495 for DFS. The DFS allocation has been increased to include this amount and the state administration allocation has been reduced accordingly.
11	Child Medical Evaluation Program	206,671	238,321	16,041	254,362	238,321	0	
12	Adult Day Care Services	599,551	599,551	0	599,551	599,551	0	
13	County Departments of Social Services for Child Abuse/Prevention and Permanency Planning	394,841	394,841	0	394,841	394,841	0	
14	Transfer to Preventive Health Block Grant for Emergency Medical Services	449,887	213,128	137,595	350,723	280,984	67,856	The SFY 96-97 allocation was reduced due to a decrease in the federal grant award. This increase replaces a portion of the reduction.
15	Allocation to Preventive Health Block Grant for AIDS Education, Counseling and Testing.	142,069	66,939	4,607	71,546	81,001	14,062	The SFY 96-97 allocation was reduced due to a decrease in the federal grant award. This increase replaces a portion of the reduction.
16	Transfer to Department of Administration for the N.C. Commission of Indian Affairs In Home Services Program for the elderly.	201,447	203,198	0	203,198	203,198	0	
17	Division of Vocational Rehabilitation - Easter Seals Society.	141,860	116,779	8,037	124,816	120,742	3,963	The SFY 96-97 allocation was reduced due to a decrease in the federal grant award. This increase replaces a portion of the reduction.
18	UNC-CH CARES Program for training and consultation services	211,719	247,920	17,062	264,982	247,920	0	

Item Number	Title	Actual SFY 95-96	Appropriated SFY 96-97 (HB 53)	SFY 96-97 Additional Grant Award	SFY 96-97 Total Funds	Recommended Amount SFY 97-98	Appropriated/ Recommended Difference	Explanation of Difference
19	Transfer to the Maternal and Child Health Block Grant for community based services designed to reduce maternal and infant mortality and morbidity and to promote the health of mothers and children.	2,024,649	239,261	65,521	304,782	613,276	374,015	The SFY 96-97 allocation was reduced due to a decrease in the federal grant award. This increase replaces a portion of the reduction.
20	Office of the Secretary - Office of Economic Opportunity for N.C. Senior Citizens' Federation for outreach services to low-income elderly persons	52,777	41,302	2,835	44,137	42,700	1,398	The SFY 96-97 allocation was reduced due to a decrease in the federal grant award. This increase replaces a portion of the reduction.
21	Transfer to DEHNR for expansion of the Maternal Outreach Worker Program.	0	0	0	0	600,000	600,000	These funds represent partial funding for an expansion of the Maternal Outreach Worker Program.
	Office of Citizen Affairs	49,077	0			0	0	
	Voluntary Sterilization Funds	98,710	0			0	0	
	Department of Administration for North Carolina Fund for Children	38,737	0			0	0	
	Division of Child Development for Head Start	147,467	0			0	0	
	TOTAL SOCIAL SERVICES BLOCK GRANT	**68,286,153**	**63,767,721**	**2,815,562**	**66,573,283**	**65,883,410**	**2,125,689**	

April 8, 1997
attachment #1

SMART START EXPANSION REQUEST

Presented by: Mary Ellen Sylvester
Fiscal Research Division
April 8, 1997

L6618 mcho

SMART START

Selected Performance Audit Recommendations Affecting the NC Partnership for Children, Inc.

- **Strengthen the Management Role and Capacity of the NC Partnership**

  -- Centralize Financial and Contracts Management
  -- Perform Contract Monitoring/Enforcement for Local Partnerships
  -- Perform Annual Assessment of Partnerships' Performance
  -- Provide Technical Assistance to Local Partnerships
  -- Manage the Partnership Selection Process
  -- Determine Annual Funding Allocations for Local Partnerships
  -- Adopt a Formula to Limit Local Partnerships' Administrative Costs
  -- Meet Cash Fundraising Requirement
  -- Report Program Information Quarterly to the General Assembly

- **Plan for Regionalization of Local Partnerships**

- **Establish a Task Force to Study Transportation Issues Statewide**

SMART START

1997-98 Continuation Budget

Local Partnerships (55 Counties)	$71,368,364
NC Partnership Administration	$1,700,000
DHR Administration	$528,626
Automation	$665,000
Program Evaluation	$850,000
Total	$75,111,990

SMART START

Governor's Expansion Request

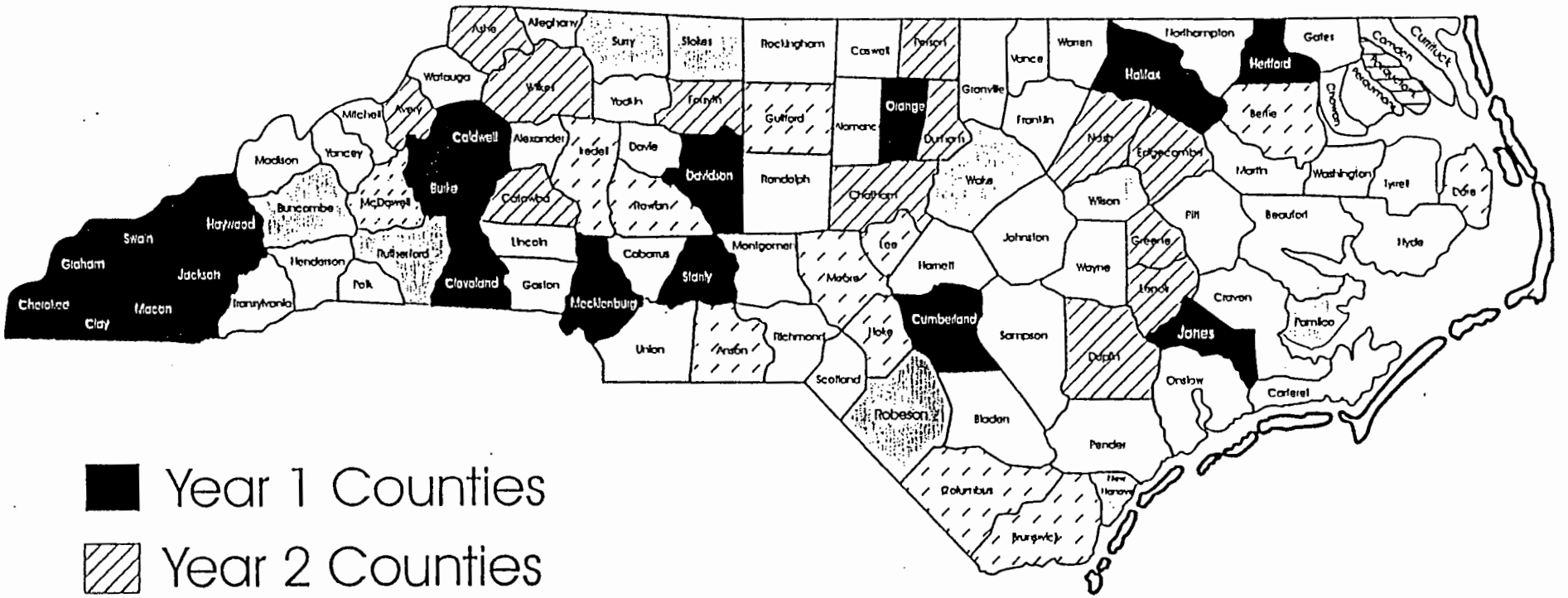
	1997-98 Recommended	1998-99 (1997-98 Annualized)	1998-99 Recommended
Local Partnerships (100 Counties)	$20,468,626	$24,358,839	$66,782,091
NC Partnership Administration	$700,000	$700,000	$800,000
DHR Administration	$0	$0	$172,080
Automation	$100,000 NR	$0	$0
Program Evaluation	$62,000	$62,000	$62,000
Needs & Resources Assessment	$750,000 NR	$0	$0
Professional Development	$300,000	$300,000	$300,000
Licensing Consultants	$248,253	$268,192	$268,192
TEACH	$300,000	$300,000	$345,500
Total	**$22,928,879**	**$25,989,031**	**$68,729,863**

SMART START

Program Budget With Expansion

	1997-98 (w/o Expansion)	1997-98 (with Expansion)	1998-99 (1997-98 Annualized)	1998-99 Recommended
Local Partnerships (100 Counties)	$71,368,364	$91,836,990	$95,727,203	$138,150,455
NC Partnership Administration	$1,700,000	$2,400,000	$2,400,000	$2,500,000
DHR Administration	$528,626	$528,626	$528,626	$700,706 Staff (5)
Automation	$665,000	$765,000	$665,000	$665,000
Program Evaluation	$850,000	$912,000	$912,000	$912,000
Needs & Resources Assessment	$0	$750,000	$0	$0
Professional Development	$0	$300,000	$300,000	$300,000
Smart Start Total	**$75,111,990**	**$97,492,616**	**$100,532,829**	**$143,228,161**
Licensing Consultants		$248,253	$268,192	$268,192
TEACH	$1,000,000	$1,300,000	$1,300,000	$1,345,500
Non-Smart Start Funding	**$1,000,000**	**$1,548,253**	**$1,568,192**	**$1,613,692**

Smart START



- Year 1 Counties
- Year 2 Counties
- Year 3 Counties
- Year 4 Counties

Joint Appropriations Subcommittee on Human Resources

AGENDA

Tuesday, April 8, 1997

8:30 a.m. LOB, Room 424

Smart Start Program

Governor's Expansion Request	Mary Ellen Sylvester Fiscal Research Division
Smart Start Program Update	David Walker Executive Director, NC Partnership for Children, Inc.

April 8, 1997
attachment #2

Smart START

Report to the North Carolina General Assembly

Quarterly Report

October 1, 1996 - December 30, 1996

Submitted on March 3, 1997 by the:

NORTH CAROLINA
PARTNERSHIP FOR CHILDREN
1323 Capital Blvd., Suite 102
Raleigh, NC 27603
(919) 821-7999

Table of Contents

Executive Summary 4

Smart Start Accomplishments Summary 6

Map of Smart Start Counties 9
Monitoring and Reporting by Local Partnerships 10

Accomplishments of Year 1 Smart Start Partnerships
- Burke 13
- Caldwell 15
- Cleveland 17
- Cumberland 19
- Davidson 21
- Halifax 24
- Hertford 26
- Jones 28
- Mecklenburg 30
- Orange 32
- Region A 34
- Stanly 37

Accomplishments of Year 2 Smart Start Partnerships
- Ashe 40
- Avery 42
- Catawba 44
- Chatham 46
- Down East 50
- Duplin 53
- Durham 55
- Forsyth 57
- Lenoir-Greene 62
- Pasquotank 64
- Person 66
- Wilkes 68

Accomplishments of Year 3 Smart Start Partnerships
- Alleghany 72
- Buncombe 74
- New Hanover 74
- Pamlico 75
- Robeson 76
- Rutherford 77
- Stokes 77
- Surry 79
- Wake 80
- Washington 81
- Wilson 82

Year 4 Partnerships
- Anson 84
- Bertie 84
- Brunswick 85
- Columbus 86
- Dare 87
- Guilford 87
- Hoke 88
- Iredell 89
- Lee 89
- McDowell 90
- Moore 90
- Rowan 91

Private Cash and In-kind Contributions 92

Child Care Resource and Referral Services 93
Automation 95
T.E.A.C.H. Early Childhood Project 96

State-level Administrative and Support Services
- North Carolina Partnership for Children 108
- Division of Child Development 110

Evaluation 111

Allocations and Expenditures 113

Building Brighter Futures for North Carolina's Children

Smart Start, initiated in 1993 by Gov. Jim Hunt, is a comprehensive public-private initiative to help all North Carolina children enter school healthy and ready to succeed. Through local partnerships, Smart Start programs and services reach children during the most critical years of development. The goal of the North Carolina Partnership for Children is to ensure that every child in North Carolina has this opportunity for a brighter future.

This year, the N.C. Partnership for Children, the statewide nonprofit organization which provides oversight and technical assistance for Smart Start partnerships, assumed many new responsibilities from the Department of Human Resources. To accomplish its new responsibilities and focus on the strict accountability of Smart Start programs and services, the NC Partnership developed a team concept where accounting, contracting and program staff monitor local partnership contracts and programs. These teams work directly with local partnerships to ensure controls are tight.

Many of the NC Partnership's responsibilities this year were also recommendations of a Performance Audit of Smart Start conducted by Coopers & Lybrand. Specifically, the audit called for Smart Start's continuation and expansion and included a number of recommendations adopted by the General Assembly during its Second Extra Session.

The NC Partnership has already implemented many of those recommendations including developing a plan to regionalize partnerships. This plan was developed in efforts to make sure that Smart Start programs and services are expanded in the most efficient and effective way possible. A Special Committee on Regionalization was appointed by the NC Partnership Board of Directors and chaired by Representative Carolyn Russell. Numerous meetings have been held around the state as local partnerships look at ways to share resources. The special committee agreed that incentives for both Smart Start and non-Smart Start counties be offered to establish multi-county partnerships or to develop other means to improve administrative efficiency.

Local partnerships participated extensively in developing this plan to regionalize partnerships and are at the heart of Smart Start. Through collaboration and a strong commitment to North Carolina's youngest citizens, local partnerships are recording solid results that show Smart Start is working. Many examples are given in this report.

Each partnership's plan focuses on its area's unique needs and challenges while developing these core services: high quality child care, accessible child care, affordable child care, health services and education and family support.

Currently there are 47 funded Smart Start partnerships in 55 counties. Eleven of those partnerships kicked off services in January, 1997, while 12 are in the planning stage. The total allocation for SFY 1996-97 for local partnerships is $68 million. Planning groups in the 45 counties not yet receiving Smart Start funding are in various stages of planning anticipating Smart Start expansion.

Some examples of Smart Start successes at the local level include:

In **Ashe County**, 58 of the 69 child care teachers in the county (85 percent) have received a higher level of education, through a credential or degree program, because of the T.E.A.C.H. Early Childhood Project.

In **Orange County**, 182 child care teachers and directors received salary supplements to increase their education and to encourage them to remain in their programs. As a result, there was a 22 percent decrease in the turnover rate in the county.

Because of the collaboration initiated through Smart Start, the local community college in **Cleveland County** has established an early childhood associate degree program, a child care administrators certificate program as well as the child care credential program. None of these were in place prior to Smart Start.

In **Person County**, an assessment was conducted of children who were not recommended for promotion to kindergarten. No child identified as unready was involved in Smart Start services.

Six pre-kindergarten classes have been established in **Jones County** to teach readiness skills to young children who have never been exposed to learning activities. In addition, eight learning groups have been established for very young children in area churches to allow them to have readiness experiences prior to entering school in the fall.

In **Catawba County**, almost 1,000 children receive subsidized child care every month with funds provided through Smart Start and the waiting list for child care has been completely eliminated.

In **Burke County**, prior to Smart Start, more than 33 percent of the children entering kindergarten needed dental treatment. Through Smart Start, a public dental health clinic was established, bringing together local dentists and the health department, to provide dental treatment for children and dental education for parents. More than 200 children have had corrective treatment done in the clinic so far.

Through its efforts with Smart Start, **Wilkes** Community College was selected among 12 other programs in the nation to receive the Secretary's Award for Outstanding Adult Education and Literacy.

Smart Start continues to be cited as a national model for comprehensive early childhood initiatives. The business community has also embraced Smart Start, with many top corporations giving their largest contributions to date to Smart Start. The NC Partnership is on target to raise $3.4 million in cash this year.

The NC Partnership, local partnerships, the Department of Human Resources, and other state agencies continue to work together to ensure brighter futures for North Carolina's children and to have Smart Start in every county.

Smart Start Accomplishments Summary

Accomplishments of Year 1 and Year 2 Partnerships

Twelve Year 1 partnerships, made up of 18 counties were selected in September 1993 and funded in January 1994. Twelve Year 2 partnerships, made up of 14 counties, were selected in September 1994 and funded in January 1995. These partnerships provide the impetus and focal point for a wide range of programs and services for young children and their families. These include child care initiatives to improve quality and availability, subsidy programs to provide child care funding for low income and working poor families, teacher education and support, new and expanded initiatives to best serve children with special needs, and health initiatives to detect and treat vision, hearing, dental and other problems. In addition, family resource centers and other programs are providing support to strengthen families.

Accomplishments of Year 3 Partnerships

Eleven Year 3 partnerships, made up of 11 counties, were selected in January 1995 and given planning funds during the General Assembly's summer session. During the planning year, these partnerships were involved in collaboration and strategic planning and developed plans for delivery of services to children and families. Some of these counties are using a portion of their administrative funds to deliver services within their communities. Year 3 counties began receiving service funding in January 1997 and are now beginning implementation of their comprehensive services to meet the needs of young children and their families.

Accomplishments of Year 4 Partnerships

Twelve Year 4 partnerships, made up of 12 counties, were selected in April 1996 and were given planning funds during the General Assembly's Second Extra Session. During this planning year, Year 4 counties are involved in strategic planning, collaboration training, and organizational development, as they develop long-term strategic plans to address the needs of young children and their families.

Private Cash and In-Kind Contributions

Smart Start continues to emphasize the need for investment by the private sector in this public-private partnership. To that end, the North Carolina Partnership for Children and the local partnerships are now more than half way to their fundraising goal of $6.8 million in cash and in-kind contributions. By the end of the second quarter of fiscal year 1997, a total of $2,395,206 in cash contributions and $1,976,941 in in-kind contributions had been raised on behalf of Smart Start. In addition, more than 50,000 volunteer hours had been contributed to Smart Start since the start of the fiscal year. It is clear that the private sector understands the great need for Smart Start programs and is willing to invest their own time and money into the process. In addition to raising funds, efforts began during the second quarter to disburse to local partnerships more than $3 million in private funding received during fiscal year 1996. Approximately 95% of these private funds will be utilized on behalf of Smart Start programs during fiscal year 1997.

Child Care Resource & Referral Services

In the design of Smart Start, Child Care Resource & Referral services were determined to be a vital part of the development of a child care and education system. Each county received funds specifically earmarked for child care resource and referral. These services include assisting families in finding high quality child care, ensuring that training is available for child care providers, giving technical assistance and making resources available to child care providers and families, and providing community members with information about child care supply and demand. This report includes an update on the various stages of development of child care resource and referral services in Smart Start counties.

Staff to Child Ratios: Monitoring Staff

Compared to other states, North Carolina lagged behind the rest of the nation in the required staff to child ratios in child care programs. The 1993 legislature improved the ratios for children under three years of age. A staff person can now only be responsible for five children under one year of age. Only six one-year-olds can be cared for by one staff person and only ten two year olds may be cared for by one staff. To enforce these new ratios as well as other child care requirements, the Division of Child Development hired additional monitoring staff. In 1993, caseloads for monitoring staff reached an average of almost 150 facilities per staff; the recommended average is 75. The infusion of new staff in 1994 lowered caseloads only temporarily. However, with increased Smart Start resources and parents' increased need for child care, the average caseload for licensing consultants is now 178.

Systems Automation

The new on-line reimbursement system for the state's subsidized child care program has been adapted to accommodate federal and state statutory changes. It is expected that the volume of Smart Start children who go through the modified system will increase in SFY 1996-97 as Year 3 partnerships begin services. In addition, the Division has initiated a plan of action regarding a systems automation recommendation proposed in the 1996 Coopers and Lybrand Smart Start Performance Audit. The recommendation targeted the development of a statewide child care resource and referral database which would increase the availability of child care information to the general public. The systems analysis required to build such a system has begun. It is clear that the major source of data for the child care resource & referral database will be developed from the existing Division of Child Development regulatory system database, which is already undergoing a preparatory update. The child care resource & referral database will reside on the Division of Child Development webpage located on the Department of Human Resources website.

T.E.A.C.H. Early Childhood Project

One of the most highly successful and nationally recognized single activities related to Smart Start is the T.E.A.C.H. (Teacher Education and Compensation Helps) Project. This project rewards teachers with bonuses or increased pay when they increase their education in early childhood development. Scholarships have been provided to 4,070 teachers since March 1993. At least 62,314 children across North Carolina have been cared for in programs where a staff member is improving her/his knowledge base and skills by studying early childhood education, receiving increased compensation, and has made a commitment to remain in the early childhood profession. The actual number of children reached by T.E.A.C.H. Early Childhood Project is believed to be significantly higher because of the effect of T.E.A.C.H. on reduction of teacher turnover, participating teachers are more likely to remain on their jobs longer, interacting with multiple cohorts of children, thereby multiplying the positive impact of the T.E.A.C.H. Project on North Carolina's children and families.

North Carolina Partnership for Children

The North Carolina Partnership for Children was established to provide support to the local partnerships and to set goals for children and family services across the state. The State Partnership has 39 board members representing state agencies, private business, education, nonprofits, religious organizations, child care providers, parents and members of the General Assembly. During this quarter the state partnership developed a fiscal and contracts management system, developed a proposed regionalization plan in collaboration with local partnerships, and provided technical assistance to local partnerships in the areas of program development, administration, organizational development, communications, fiscal management, contracts management and fundraising.

Division of Child Development

The Division continues to blend programmatic and administrative resources with the North Carolina Partnership for Children. The coordination of the subsidized child care reimbursement system with the management of the Department's child development knowledge base enables the Division to effectively partner with the North Carolina Partnership for Children in Smart Start strategic planning, development and implementation. The Division of Child Development and the North Carolina Partnership for Children continue to provide both services and technical assistance to support Governor Hunt's mandate regarding the effective integration of public and private expertise as the new model for doing business in North Carolina.

Evaluation

The evaluation team for the Smart Start initiative is comprised of professionals with extensive experience in the areas of program evaluation, early childhood education, health, and family support. During the first year, the evaluation team concentrated on developing a statewide evaluation plan to collect a core set of data and provided technical assistance on evaluation issues to the local partnerships. Second-year evaluation activities focused on data collection. Database variables and definitions were created and refined, county evaluation coordinators visited approximately 120 child care centers and interviewed families participating in Smart Start. During the second quarter of the 1996-97 year, the Smart Start evaluation team focused evaluation efforts on collecting data on child care quality, exploring the use of unique identifiers in Smart Start partnerships, and developing studies of specific Smart Start programs.

Smart Start Expenditures in Local Partnerships

Smart Start expenditures in local partnerships cover a range of activities. The charts in this report show the 1996-97 allocations of Smart Start funds to each county and the total expenditures for each county during the second quarter. A system is being developed to show expenditures by activity and will be included in future reports.

The accreditation process requires a lengthy process of self-study and analysis by the center or home staff, parent evaluation, and an assessment of the early childhood environment. Center and family child care providers usually spend more than a year in self-study before evaluation occurs and accreditation is achieved. Although many child care programs are being encouraged to seek accreditation through local Smart Start activities, it will take several years to measure the impact made by Smart Start due to the length of time required by programs to do a self-study and make needed improvements. In an accredited child care program you can expect to see:

- planned learning activities and materials appropriate to children's age and development and sensitive to their individual characteristics;
- frequent, positive, and warm interactions among adults and children;
- a healthy and safe environment for children and staff;
- enough adults to respond to individual children;
- regular communication with parents and involvement of parents in the program; and
- nutritious snacks and meals being served.

Year 1 Partnerships

Burke County Partnership for Children

Smart Start in Action

Ed and Evelyn agreed to keep their son's young children to allow both of them to work. They found it so enjoyable that they decided they wanted to keep other children. They contacted the Burke County Partnership office for assistance. Through the guidance and assistance of the Smart Start representatives, they opened a registered small child care home and have now expanded to care for 12 children. "Our mission is to provide a safe, loving, healthy and nurturing environment for each child entrusted to our care." Thanks to Smart Start in Burke County, more children are receiving a high quality child care experience.

Improving the lives of children and families.

Two years ago, Kim was trying to find a better way of life for herself and her young son. She wanted to go back to school to study nursing but needed child care for her son. Because she was working part-time, she was not eligible to receive assistance with child care. Burke County Smart Start has a program in place to assist working families such as Kim. "If it weren't for Smart Start, I would have had to put off going to school," Kim said. Today, because of assistance from a Smart Start program, Kim is working as a nurse at Caldwell Memorial Hospital and contributing to her family and community.

Human service agencies and organizations are working together in new and better ways because of Smart Start.

Finding a strategy for involving family child care home providers in training has been a challenge. Providers are often not able to attend evening sessions after caring for children all day, and finding a substitute for day time training has not proven successful. In a recent survey, home providers indicated an interest in having on-site training during nap time. The Training Task Force that coordinates all training efforts took this response as an opportunity to offer "Naptime Nuggets," a series of one hour sessions on topics related to child development and in-home care. The sessions are conducted by local professionals who volunteer their time, thus requiring no additional funding for the sessions. The response has been tremendous! All sessions are filled for the next two months and a preliminary list developed for the next sessions to be offered.

Child Care and Education

Subsidies

153 children have received Smart Start subsidies through an increase in the eligibility scale or categories expansion this quarter.

Creating additional spaces for children in preschool programs

Note: Child care spaces created in licensed/regulated child care centers and family child care homes will be reported through a state-level reporting system.

26 permanent child care spaces have been created in legally operating, but unlicensed preschool programs-this quarter. (Ex: Head Start*, Chapter I, half-day preschools).

**Head Start programs and Public Preschool/Chapter I programs operated by public school systems are not required to be licensed by the state. However, some of these voluntarily choose to obtain state licensing.*

Quality Improvement

118 teachers have received teacher education, technical assistance and/or support services through a child care resource & referral agency this quarter.

245 teachers have participated in teacher education (not provided by a child care resource & referral agency) this quarter.

464 children enrolled in programs/classes that received quality enhancements this quarter.

Children with Special Needs

13 children with special needs have received one or more special therapies/interventions this quarter.

1 child with special needs has received care or support because of an emergency or crisis situation this quarter.

Educational Programs

513 children have received one or more educational programs this quarter.

Health Care / Health Care Education

71 children have received immunizations this quarter.

28 children received health and/or developmental screenings this quarter.

931 families have received health care education this quarter.

Family and Community Services

Child Care Resource & Referral Services

125 families received direct child care resource and referral services this quarter.

Parent Education and Support

110 families received parent education and/or support services in family resource centers this quarter.

395 families received parent education and/or support services in places other than family resource centers this quarter.

Transportation

119 children and family members were provided transportation to child care, health or other services this quarter.

Smart Start In Action

The Health Department was audited in October, 1996, to determine the immunization status of children birth through 24 months. The last audit was May, 1995, one month after Smart Start funding helped provide a mobile health unit and three nurses assigned to the Child care Team. The October, 1996, audit indicated that the Smart Start nurses and the mobile health unit had played a significant part in improving the immunization rate for children in Caldwell County.

In May, 1995, the Caldwell County immunization rate for 2 year olds who were fully immunized for their age was 66%. In the October, 1996 audit, the rate for the same age group had risen to 84%. The national average is 90% for this age group.

In some age groups, Caldwell County's rates surpassed the national averages.

The health department also employed a part-time Immunization Outreach Worker in January, 1996, using Smart Start funds, to assist with tracking children who have not been properly immunized. The Smart Start nurses are now able to assist in immunizing the children once they are located.

Improving the lives of children and families.

A grandmother uses Smart Start-funded Read-To-Me bags to check out books to read to her 10-month-old granddaughter and also participates in the Read-To-Me Incentives program. The child lights up when books are brought out, and she already has a "favorite" book that her grandmother has to read to her every day. The child points out objects in picture books and is learning how books work, e.g.. which is right-side-up and where is the front of the book. The child is also learning the joy of hearing stories and will grow up understanding that reading is rewarding.

Human service agencies and organizations are working together in new and better ways because of Smart Start.

The Family Preservation coordinator funded through Smart Start has been lucky to work with many social and human service agencies: The Women's Shelter, Family Resource Center, special education teachers, health nurses, and more. One of her families' 4 year old child has been removed from the home due to neglect and abuse. The coordinator is assisting in reunification of the family. The mother will learn about nutrition through the Expanded Food and Nutrition program. The Parents As Teachers program will work with the family to help them learn good parenting skills. The Health Department is assisting with a newborn child in the family. The Family Resource Center and the Department of Social Services are providing a meeting place and facilitator to involve the mother in the Nurturing Program to teach her to care for her newborn.

Child Care and Education

Subsidies

24 children with special needs have received Smart Start subsidized care this quarter.

208 other children have received Smart Start subsidized child care this quarter.

Quality Improvement

153 teachers have received teacher education, technical assistance and/or support services through a child care resource & referral agency this quarter.

402 teachers have participated in teacher education (not provided by a child care resource & referral agency) this quarter.

Children with Special Needs

47 children with special needs have received one or more special therapies/interventions this quarter.

12 children with special needs have received care or support because of an emergency or crisis situation this quarter.

Educational Programs

632 children have received one or more educational programs this quarter.

Health Care / Health Care Education

88 children have received immunizations this quarter.

1,825 children received health and/or developmental screenings this quarter.

130 children have received any other health services, other than transportation, this quarter.

90 families have received health care education this quarter.

Family and Community Services

Child Care Resource & Referral Services

46 families received direct child care resource and referral services this quarter.

106 families received indirect child care and related information, e.g., written materials, this quarter.

Parent Education and Support

1,484 families received parent education and/or support services in family resource centers this quarter.

403 families received parent education and/or support services in places other than family resource centers this quarter.

1,184 families were contacted through community outreach efforts, such as Family Ties, this quarter.

Transportation

57 children and family members were provided transportation to child care, health or other services this quarter.

Smart Start Impact

Through Smart Start, an agreement has been reached between the three school systems in our county and the Department of Social Services to allow access to and sharing of data in a pilot project, "Data Sharing System." The "Matchware" software program will allow "matching" of children's records between school records and DSS records in order to, for example, identify children eligible for free or reduced lunches who are not now receiving this service. The software has been ordered and consultant time is being arranged. During this quarter, the DSS Director offered the time of her computer technician for this project. The school systems have agreed to share the $3000 cost for the training and consulting fee.
The Cleveland Partnership for Children has begun to coordinate a project called "Child Care Market Study." Many service agencies, human resource directors, church organizations, and the business/ industry community will be involved in this project. The purpose of this project is to "paint a picture" of the almost 7,000 children ages birth through 5 years in Cleveland County. This is an expansion of a child care workforce study. This project will identify where the children are; where they are cared for (at home with parent, child care centers/ homes, etc.); and what the current opportunities and barriers are to creating healthy environments for young children. This project will help Cleveland County plan its long-range strategy for addressing the needs of all children in Cleveland County ages birth through 5 years.

Improving the lives of children and families.

A parent educator for the Parents As Teachers program, which is funded by Smart Start, arranged for the Developmental Evaluation Center (DEC) to screen a 32-month-old child who was at-risk because of prenatal substance abuse. The parent educator, who had met with the family in their home, was present for the screening, staffing, and subsequent parent conference. The professionals at DEC had not seen the child or mother in the home setting, only in a professional setting. The parent educator was able to communicate some of the parents' strengths and help devise a better plan to address the child's needs.

Human service agencies and organizations are working together in new and better ways because of Smart Start.

The Smart Start child care consultant was able to go into a classroom and observe a child who had been demonstrating severe behavior problems in the classroom. The child care consultant offered the staff technical assistance and made a referral to Cleveland Center for Mental Health. The child care consultant also offered the staff at Cleveland Center assistance in developing appropriate intervention strategies for the child.
The staff of one agency in Cleveland County reports that, due to the sharing of knowledge between agencies that has happened because of Smart Start, the number of "abusers" of programs has dropped.
Because of the Neighborhood Team (a project funded by Smart Start) effort in the Ramblewood/Olsen Court housing project along with the Cleveland County Boys Club, community representatives received a $25,000.00 grant from the Z. Smith Reynolds Foundation to expand and continue their work.

Child Care and Education

Subsidies

24 children with special needs have received Smart Start subsidized care this quarter.

173 other children (not including those counted above) have received Smart Start subsidized child care this quarter.

Quality Improvement

259 teachers have received teacher education, technical assistance and/or support services through a child care resource & referral agency this quarter.

107 teachers have participated in teacher education (not provided by a child care resource & referral agency) this quarter.

846 children enrolled in programs/classes that received quality enhancements this quarter.

17 substitute caregivers were provided to child care centers to replace absent care givers this quarter.

Children with Special Needs

70 children with special needs have received one or more special therapies/interventions this quarter.

1 child with special needs has received care or support because of an emergency or crisis situation this quarter.

Educational Programs

428 children have received one or more educational programs this quarter.

Health Care / Health Care Education

226 children have received immunizations this quarter.

55 children received health and/or developmental screenings this quarter.

1,404 families have received health care education this quarter.

Family and Community Services

Child Care Resource & Referral Services

82 families received direct child care resource and referral services this quarter.

65 families received indirect child care and related information, e.g., written materials, this quarter.

Parent Education and Support

553 families received parent education and/or support services in family resource centers this quarter.

158 families received parent education and/or support services in places other than family resource centers this quarter.

Transportation

136 children and family members were provided transportation to child care, health or other services this quarter.

Smart Start Impact

For the first time, the Cumberland County Department of Social Services Child Care Advisory Committee and the Cumberland County Partnership for Children CCR&R Advisory Committee collaboratively sponsored a workshop for directors, assistant directors, and managers of child care facilities. The workshop was held October 22 &23, 1996, and was entitled "Effectively Managing Subsidized Child Care." It was offered at no charge to participants for the purposes of increasing the knowledge of child care providers and of improving working relationships between DSS, Child Care Solutions, and providers.

There were approximately 100 participants the first day and 60 the second. The board chairs for both sponsoring organizations welcomed the participants. Presenters and panel members included Senator Tony Rand and Representative Bill Hurley, child care consultants from the Division of Child Development, a county commissioner, the branch head of the DSS child care program, the department chair of the local community college who is also a child care facility owner, a child care director, an office manager, and a local CPA who has child care providers as clients. Topics addressed during the workshop were welfare reform and the implications for subsidized child care; nuts and bolts of how subsidized child care works in Cumberland County; smart practices and principles for small businesses; licensing issues; professional development; and scholarship opportunities.

The committees of these two organizations identified a need related to child care service delivery, developed a plan together to address the need, shared resources, and accomplished the task. Not only are providers better informed, but also the working relationships between providers, Cumberland County DSS and the Cumberland County Partnership for Children have improved. This has been evident by a reduction in the number of complaints received from providers and an increased number of positive statements about the efforts of DSS staff and Partnership staff by both providers and the staff of these two organizations. DSS board members, as well as the director, have also made positive statements regarding their perception that these relationships have improved. The positive response to this effort has prompted these two committees to plan a follow-up workshop for February.

Improving the lives of children and families.

The Infant Oral Health and Screening Program, a Smart Start project, has helped a number of patients this quarter. Every day, we are able to ease the concerns and fears of parents with very young children. Brushing and flossing is not a child's favorite thing to do, nor is it a parent's favorite thing to do for their child. Through the Infant Oral Health Program, however, parents are learning new ways to make such a chore easier for all involved.

One particular patient who received services from Infant Oral Health Program, is the baby of a very large family of six members. At 2 years of age, this child was already experiencing slight decay and staining and had a rare occurrence in abnormal development of some teeth; which was of great concern to the parents. Because this family chose to be seen in the Smart Start funded program, we were able to refer them to a dentist to have the teeth treated. Both the child and the parents were able to benefit from this early intervention. Early education in prevention is the key to ensuring that all children grow up with a healthy mouth.

Child Care and Education

Subsidies

420 children have received Smart Start subsidies through an increase in the eligibility scale or categories expansion this quarter.

Quality Improvement

599 teachers have received teacher education, technical assistance and/or support services through a child care resource & referral agency this quarter.

612 teachers have participated in teacher education (not provided by a child care resource & referral agency) this quarter.

2,785 children enrolled in programs/classes that received quality enhancements this quarter.

Children with Special Needs

799 children with special needs have received one or more special therapies/interventions this quarter.

Educational Programs

1,763 children have received one or more educational programs this quarter.

Health Care / Health Care Education

2,128 children received health and/or developmental screenings this quarter.

63 families have received health care education this quarter.

Family and Community Services

Child Care Resource & Referral Services

353 families received direct child care resource and referral services this quarter.

697 families received indirect child care and related information, e.g., written materials, this quarter.

Parent Education and Support

313 families received parent education and/or support services in family resource centers this quarter.

349 families received parent education and/or support services in places other than family resource centers this quarter.

Smart Start Impact

Work/Family Resource Center, funded by Smart Start, administers the Continuum of Professional Development, a professional development plan for family child care homes providers. Positive changes are beginning to take place. Through this program, providers are placed in one of four stages depending upon their education and training. Parents receive a brochure describing the Continuum program, so that they can discuss the quality indicators with the providers and other parents. One parent asked a provider she was visiting, "I see you are at Stage 2 — what are you doing to get to Stage 4?" Another parent called Work/Family Resource Center for a referral because a friend told her about the Continuum.

During the 96-97 fiscal year, Smart Start is making it possible for many families who have tended to "fall through the cracks" to receive support and services that they may not previously have known about. The School Readiness Specialist position, funded by Smart Start, has its foundation in a nationally recognized program entitled Parents as Teachers. Parents as Teachers is the only program in the county that brings the teacher to the home of the parent and child with the family's permission. Many parents are reluctant to seek information about parenting or simply lack the means or transportation to attend formal meetings. Parents as Teachers provides parents with a non-threatening means of acquiring information that is specific to their child's development and age. This program seeks to empower the parent as a child's first and best teacher. Parents as Teachers provides parents of preschoolers with personalized information in a convenient, non-threatening way. Without this Smart Start program, some parents would never realize that they are truly their child's first and most important teacher. Children begin learning from the moment they are born. With this Smart Start program, parents are encouraged to take the role of teacher from the very beginning of parenthood. In addition, through this contact, parents learn about parenting classes and GED classes that are being offered at the community college and in Family Resource Centers. Each family is given a schedule of the Mobile Family Resource Center and provided with many avenues of referral.

The North Davidson Family Resource Center, funded by Smart Start, has enabled local groups, such as the Ministerial Fellowship, to help more families with needs by letting them know about

(see next page)

Improving the lives of children and families.

A single mother and her four-year-old son participated in the Smart Start Family Therapy project. The mother was able to improve her parenting skills to help her son express his anger with less aggressive behavior. The mother was concerned because her son had witnessed family abuse. She attended parenting classes through Davidson County Community College and the North Davidson Family Resource Center, and learned how to improve her parenting skills. The mother has placed her son on the Head Start waiting list and has reported that her son's aggressive behavior lessened after one parenting class and four months of weekly family therapy sessions, and that social interaction increased for both mother and child.

Working together in new and better ways.

Because of Smart Start, several programs are now available to parents and children who did not previously realize that they were eligible or even encouraged to participate. Department of Social Services, Health Department, churches, Ecumenical Ministries, the community college, and some business organizations have come together to enhance the lives of children in the community. Children who were previously not eligible for formal preschool programs have been enrolled, allowing their mothers to attend school. Home Health nurses have referred teen-age mothers to programs that were not available to them prior to Smart Start.

One family had many different needs and there were several agencies involved with this family at one time. Representatives from Mental Health and Social Services and a Smart Start Family Therapist met to discuss the goals of the agencies involved with the family. It was decided that not all of the agencies needed to be involved in the case and decisions were made as to how to make the necessary transitions — which were then "mapped out' to the satisfaction of the family and all involved.

Smart Start staff visited a parenting group sponsored by Smart Start at a local church. The group consisted of three parents and a grandmother of preschoolers. It was a very good feeling to see needs and programs dovetailing so well, especially when staff recognized one of the parents as one involved with a child protective services referral. Plans are now underway for the Smart Start parenting consultant to come to an elementary school and help the Smart Start staff co-facilitate parents groups. The aim is to help parents feel more comfortable and empowered in the school environment, building on the confidence they gained in their own church setting. Several churches have agreed to assist with parenting groups. These alliances are important to the community.

specific families and serving as the intermediary to connect these families with services. The FRC also serves as the contact for teachers and students at North Davidson Senior High School Key Club, who, through the FRC, were able to "adopt" three families with young children at Christmas and donate needed gifts of warm clothing, toys, food, and cash. The FRC also serves as a meeting place for the Family Support Network's weekly meetings, which has allowed this organization of parents with children who have special needs to meet regularly. The FRC serves as a hub for activities where parents can bring their children and enjoy crafts and learning experiences, as well as a meeting place for mothers who have limited opportunities to socialize with others because they are staying home to raise their children. It also allows young couples who have just moved into the North Davidson area a place to come and make friends and find out about child care and other available services in their new community.

In the South Davidson area, there are several different groups that assist families with needs such as food, financial, clothing, and counseling. By having a Family Resource Center in this area, with funding from Smart Start, the groups have been able to organize and reduce duplication of services. The FRC also provides a meeting site and helps to bring in new families to receive assistance.

Due to coordination by Smart Start staff, a large group home for children has expanded their child care and after school care program to an inclusion model. They cooperated with TEACCH staff coming from Greensboro to Thomasville to do in-service training and are working with a High Risk Intervention worker to serve an autistic child who would otherwise be unserved.

Child Care and Education

Subsidies

20 children with special needs have received Smart Start subsidized care this quarter.

135 other children have received Smart Start subsidized child care this quarter.

Quality Improvement

20 teachers have received teacher education, technical assistance and/or support services through a child care resource & referral agency this quarter.

192 teachers have participated in teacher education (not provided by a child care resource & referral agency) this quarter.

387 children enrolled in programs/classes that received quality enhancements this quarter.

52 children were served in child care centers by AmeriCorps volunteers this quarter.

Children with Special Needs

167 children with special needs have received one or more special therapies/interventions this quarter.

16 children with special needs have received care or support because of an emergency or crisis situation this quarter.

Educational Programs

802 children have received one or more educational programs this quarter.

Health Care / Health Care Education

2 children have received immunizations this quarter.

15 children received health and/or developmental screenings this quarter.

7 children have received any other health services, other than transportation, this quarter.

39 families have received health care education this quarter.

Family and Community Services

Child Care Resource & Referral Services

212 families received direct child care resource and referral services this quarter.

35 families received indirect child care and related information, e.g., written materials, this quarter.

Parent Education and Support

394 families received parent education and/or support services in family resource centers this quarter.

519 families received parent education and/or support services in places other than family resource centers this quarter.

9,726 families were contacted through community outreach efforts, such as Family Ties, this quarter.

Transportation

234 children and family members were provided transportation to child care, health or other services this quarter.

Smart Start Impact

Through collaborative efforts, the Neonatal Tracking Program, sponsored by Smart Start, serves as the main collection point for information from all local health providers in Halifax County and makes this information available to the community. This collaboration task keeps the doctors' offices free from being bombarded with phone calls and visits from the many numerous agencies that need the same information.

As a result of Smart Start funds, Weldon City Schools have been able to continue to serve all of their preschool students through a collaborative effort. They now have a Family Literacy Center and a Parent/ Teacher Resource Center which opened in September. The Resource Center was funded through Smart Start funding.

Twelve children received intensive psychological services from the Smart Start psychologist at the Halifax County Mental Health Center in October. Three of those children came from families with serious mental illness that is chronic in nature. Services have been initiated early and intensively through a collaborative effort of the Smart Start Psychologist and Smart Start Social Worker.

Improving the lives of children and families.

One of the families served by the Smart Start-sponsored Parents Are Teachers, Too (PATT) Program in Halifax County has been involved in both homesite visits and support group meetings for some time. The family lives in a rural area and services are limited. Their five-year-old son was referred for testing to the Developmental Evaluation Center in Rocky Mount, and the results showed mild retardation. The parents let the DEC staff know how much the PATT Parent Educator had helped them, and the DEC staff recommended that the PATT services be continued to help enhance the services the child was receiving at school. One of the children assessed at the Mental Health Center had two working parents: the father is on the road 4 1/2 days out of the week and the mother works shifts. The little boy was having extreme difficulty adjusting to a pre-kindergarten environment. Testing indicated emotional, learning, and psychomotor delays. A program was recommended to assist this child and the family towards a more healthy school adjustment. In addition, the parents are learning good parenting skills and how to maximize family time with their child.

Human service agencies and organizations are working together in new and better ways because of Smart Start.

A Breastfeeding Task Force has been formed in Halifax County. It consists of a group of people that came together through a mutual interest in promoting breastfeeding. Many on the task force represent agencies that are involved in maternal and child health, and others are individuals committed to increasing awareness of the importance of breastfeeding. The group has worked hard to develop a plan of action and has recently received a Glaxo Wellcome grant through Smart Start that will allow the task force to initiate breastfeeding education and awareness activities in Halifax County.

The Smart Start sponsored Parents Are Teachers, Too (PATT) Program is now collaborating with the prenatal program at Twin County Rural Health Center in Hollister through their monthly support group meetings, and hopes soon to work in conjunction with the Carolina Access Program at the Enfield Medical Clinic and the new child care center at Halifax Community College in Weldon. These collaborative efforts increase attendance for all programs in Halifax County.

Child Care and Education

Subsidies

41 children with special needs have received Smart Start subsidized care this quarter.

77 children have received Smart Start subsidies through an increase in the eligibility scale or categories expansion this quarter.

154 other children (not including those counted above) have received Smart Start subsidized child care this quarter.

Quality Improvement

173 teachers have received teacher education, technical assistance and/or support services through a child care resource & referral agency this quarter.

6 teachers have participated in teacher education (not provided by a child care resource & referral agency) this quarter.

Children with Special Needs

98 children with special needs have received one or more special therapies/interventions this quarter.

8 children with special needs have received care or support because of an emergency or crisis situation this quarter.

Educational Programs

124 children have received one or more educational programs this quarter.

Health Care / Health Care Education

494 children received health and/or developmental screenings this quarter.

863 children have received any other health services, other than transportation, this quarter.

251 families have received health care education this quarter.

Family and Community Services

Child Care Resource & Referral Services

89 families received direct child care resource and referral services this quarter.

2,484 families received indirect child care and related information, e.g., written materials, this quarter.

69 agency personnel were trained to use a computer network to help coordinate services for child care provider database this quarter.

Parent Education and Support

167 families received parent education and/or support services in family resource centers this quarter.

539 families received parent education and/or support services in places other than family resource centers this quarter.

Transportation

157 children and family members were provided transportation to child care, health or other services this quarter.

Smart Start Impact

Smart Start in Hertford County funds Child Care Resource and Referral Services and, in the second quarter of FY 96-97, the DEHNR Child Care Food Program was initiated through the CCR&R. This program had not previously had a local sponsor and participants had to seek information through either Greensboro or South Carolina. Having a local consultant will make it easier for providers to get the information they need to carry out the program and will promote enrollment in the program. Currently, forty children in three family child care homes are benefiting from the service. As revenue is generated, funds will be used for programs to benefit children.

There have been three educational newspaper articles for parents published this quarter (five articles published this year to date). The estimated readership is 6,000.

Improving the lives of children and families.

A Smart Start project makes books, audio tapes, tape recorders, and technical assistance available to nonregulated family child care homes in the county. The Smart Start Social Worker makes monthly visits to these homes and rotates reading materials through the homes. A nonregulated child care provider wrote to the Partnership office expressing her appreciation for the loan of books that she receives through Smart Start. She says that since she now has books in the home, she reads to the children, and has noticed an improvement in the speech of the children and in their ability to recognize colors and shapes.

Another Smart Start project provides computers for literacy classes at the local community college. The instructor informed the Partnership that one student has become so proficient in using the computer that she frequently helps the other students (and the instructor herself) with software applications. The instructor also expressed the opinion that students make exceptionally rapid progress in their studies when using the computer. The advantage of immediate feedback as well as the satisfaction in using the latest technology contribute significantly to the students' gains.

Human service agencies and organizations are working together in new and better ways because of Smart Start.

Parents as First Teachers parent educators, funded by Smart Start, have begun collaborating with the Triad Group, which consists of representatives from Roanoke-Chowan Hospital, Hertford-Gates District Health Department, and Roanoke-Chowan Human Services Center. At the monthly meetings, representatives from these agencies share information about progress made with clients, so as to assure appropriate services without duplication. The Parent Educators have received referrals from others involved, and have begun serving these families as a result of this collaboration.

The Parent Educator and the Executive Director also have met with Chief District Court Judge Alfred W. Kwasikpui, and have informed him about the Parents as First Teachers program. This collaboration should result in referrals from the court system.

Child Care and Education

Subsidies

36 other children have received Smart Start subsidized child care this quarter.

Quality Improvement

62 teachers have received teacher education, technical assistance and/or support services through a child care resource & referral agency this quarter.

10 teachers have participated in teacher education (not provided by a child care resource & referral agency) this quarter.

Children with Special Needs

2 children with special needs have received one or more special therapies/interventions this quarter.

18 children with special needs have received care or support because of an emergency or crisis situation this quarter.

Health Care / Health Care Education

60 children have received immunizations this quarter.

49 children received health and/or developmental screenings this quarter.

229 children have received any other health services, other than transportation, this quarter.

85 families have received health care education this quarter.

Family and Community Services

Child Care Resource & Referral Services

8 families received direct child care resource and referral services this quarter.

Parent Education and Support

66 families received parent education and/or support services in places other than family resource centers this quarter.

127 families were contacted through community outreach efforts, such as Family Ties, this quarter.

Transportation

245 children and family members were provided transportation to child care, health or other services this quarter.

Smart Start Impact

Jones County Smart Start recently received a $25,000 grant from Glaxo Wellcome to fund a Maternal and Child Health Educator at the Health Department. The educator will provide comprehensive health education, including wellness and prevention, to parents, which will result in healthier children and parents. The Director of the Health Department is currently negotiating with personnel at East Carolina University to place graduate and undergraduate health education students as interns in the Health Department with the Health Educator as supervisor, enabling this program to be self sustaining. The Partnership has also submitted a proposal to obtain funds to help purchase a mobile dental unit to provide dental care to the children of Jones, Craven and Pamlico counties. Each year that Jones County has been involved in the Smart Start effort, we have been able to create solutions or expand upon solutions to severe health issues in our county. In the first year, we hired the only physician in the county to render medical care to children birth through 5 years. In the second year, we were able to extend the hours of available medical care. In the third year, we hired a Nurse Educator through the Kinston Community Health Center to provide in-home care and preventive care. And as we look towards the fourth year, we plan to fund the Maternal and Child Health Educator at the Health Department and purchase the mobile dental van to provide dental care to the children of Jones County, Craven County and Pamlico County. The collaboration that has occurred within Jones County and with our neighboring counties — a direct result of Smart Start — has transformed health care in Jones County.

Improving the lives of children and families.

The Child and Family Specialist funded by Smart Start provides free intervention services to families in Jones County. Recently the Department of Social Services made a child abuse referral to her. Four children were reported to be experiencing abusive treatment. The specialist worked with the family, meeting twice a week since July, 1996. She suggested new discipline methods and more reasonable expectations of the children's behavior. DSS worked on the issue of money management and the need for food. There have been no incidents of abuse reported since.

Human service agencies and organizations are working together in new and better ways because of Smart Start.

The Partnership Board has become more aware of the problems facing families as the new welfare reform plan is being implemented. A new Subsidy Issues Committee of our board has been formed to study the implications of the effects of the reform has on our families. As a result of this committee's work, the Partnership will be working hand in hand with Department of Social Services to create criteria for awarding special Smart Start funding to cover a variety of needs, including night time child care, sick child care, wrap-around child care, transportation to child care and summer programs for young children.

Child Care and Education

Subsidies

14 children with special needs have received Smart Start subsidized care this quarter.

1 child has received a Smart Start subsidy through an increase in the eligibility scale or categories expansion this quarter.

77 other children have received Smart Start subsidized child care this quarter.

Quality Improvement

4 teachers have received teacher education, technical assistance and/or support services through a child care resource & referral agency this quarter.

18 teachers have participated in teacher education (not provided by a child care resource & referral agency) this quarter.

90 children enrolled in programs/classes that received quality enhancements this quarter.

Children with Special Needs

20 children with special needs have received one or more special therapies/interventions this quarter.

1 child with special needs has received care or support because of an emergency or crisis situation this quarter.

Educational Programs

34 children have received one or more educational programs this quarter.

Health Care / Health Care Education

48 children have received immunizations this quarter.

123 children received health and/or developmental screenings this quarter.

123 children have received any other health services, other than transportation, this quarter.

239 families have received health care education this quarter.

Family and Community Services

Child Care Resource & Referral Services

10 families received direct child care resource and referral services this quarter.

9 families received indirect child care and related information, e.g., written materials, this quarter.

Parent Education and Support

81 families received parent education and/or support services in places other than family resource centers this quarter.

99 families were contacted through community outreach efforts, such as Family Ties, this quarter.

Transportation

53 children and family members were provided transportation to child care, health or other services this quarter.

Smart Start Impact

Agape Family Center, a Smart Start grant recipient, is a part-day program of the Metrolina AIDS Project that offers respite care for infants and children who are infected or affected by HIV/AIDS. Recently, Partnership staff observed in the program classrooms using the Early Childhood Environmental Rating (ECERS) and Infant Toddler Environmental Rating (ITERS), and presented the results to the program coordinator. Several recommendations were made for how the program could improve its quality of care. One recommendation cited was to increase parent awareness of daily activities. The lead teacher acted by designing a daily activities sheet to be sent home to parents each day. She received numerous phone calls from parents thanking her for the information sheet. One parent who does not have a phone, used a friend's phone to call the teacher and inform her of how much she appreciated her daughter's activity sheet. Many of these parents had never previously shown an interest in wanting to know about their child's day at Agape. Staff are working to successfully implement other recommendations.

In December, 404 full-time and part-time child care providers in Mecklenburg County received Salary Supplement bonuses. Recipients were required to be employed by a AA-licensed facility for at least six months and to have an Early Childhood Education Certificate/Credential,

Improving the lives of children and families.

A director, who completed Smart Start sponsored Inclusion Training last year was able to help identify a child in her care with significant developmental delays and make the appropriate referral to Mecklenburg Preschool Services. The family did not respond to appointments and hope for intervention seemed lost. The director inquired about the child's progress and discovered the parents had not kept appointments because of a lack of clear understanding concerning the importance of early intervention and the services they were eligible to receive. The director began to work tenaciously as a liaison between the agency and the parents, explaining the services and providing the parents with support and encouragement needed to obtain services.

Ten months after the initial appointment was set, this child is receiving needed services because the director remained actively involved. Cases such as this are generally closed after a certain number of missed appointments, but because of the training the director received, she was motivated to see that this family received help with school services. In addition to his regular child care program, the three-year-old boy now also receives speech and other specialized intervention services.

Human service agencies and organizations are working together in new and better ways because of Smart Start.

Over 65 volunteers have contributed more than 390 hours this quarter to Partnership Programs, Board and Committee Meetings, and various other projects. In addition to Committee and Board volunteers, 4 Child Development and Family Relations seniors from UNC-Charlotte completed internships and contributed more than 165 hours to Partnership programs.

Child Care and Education

Subsidies

589 other children have received Smart Start subsidized child care this quarter.

Quality Improvement

626 teachers have received teacher education, technical assistance and/or support services through a child care resource & referral agency this quarter.

or higher education level, to be eligible. One recipient wrote, "Thank you for the $100 check. It is certainly encouraging to know we have your support."

The Parenting Videos premiere held at the main branch of the Public Library on October 11, 1996, was a huge success! Two TVs and VCRs donated by NationsBank were raffled along with full video sets donated by the Partnership. Recipients were the Mecklenburg County Jail and Charlotte Emergency Housing, both of whom have since reported the videos to be a wonderful teaching tool.

"The women love the tapes because most have children or grandchildren in their care... the parenting videos were an excellent addition to the limited educational resources women can access." Mecklenburg County Jail

"...We touch a part of the community [homeless families] that might not otherwise have access to these videos... we receive new parents every 60 days, so new parents will be exposed continuously to this information." Charlotte Emergency Housing

The Partnership is currently working to distribute the videos throughout the community. To date, 197 videos have been distributed to families and agencies free of charge. Agencies will use the videos for staff training, parents, volunteers, and child care providers; conferences; waiting rooms, and lending libraries. Estimates are that over 52,700 people will see the videos each quarter!

595 teachers have participated in teacher education (not provided by a child care resource & referral agency) this quarter.

Children with Special Needs

22 children with special needs have received one or more special therapies/interventions this quarter.

Health Care / Health Care Education

156 children have received immunizations this quarter.

339 children received health and/or developmental screenings this quarter.

518 families have received health care education this quarter.

Family and Community Services

Child Care Resource & Referral Services

100 families received direct child care resource and referral services this quarter.

Parent Education and Support

232 families received parent education and/or support services in places other than family resource centers this quarter.

266 families were contacted through community outreach efforts, such as Family Ties, this quarter.

Smart Start Impact

In Orange County, like in most of North Carolina, the majority of teachers in child care have had only a high school education and earn an average of $5.25 per hour. Before Smart Start, more than one-third were leaving the field each year. The W.A.G.E.$ Project, funded through Smart Start, has turned these statistics around in Orange County. Teacher turnover has been reduced to 12% per year and 84% are either planning to take additional classes or are already enrolled in a community college in an early childhood program. Teachers affirm the role that W.A.G.E.$ plays in increasing child care quality by providing stability for the children. "Children's stability and security have been assured just through my staying at the center. The same face makes a difference."

Improving the lives of children and families.

In October, a mother and preschool-aged son visited the Family Resource Center for the first time. This FRC is located in a public housing community in Chapel Hill. The family was new to the neighborhood and was looking for ways to socialize with other families as well as play opportunities for the child. The mother explained that her son is a child with special-needs and that she and her husband would like their son to be in a child care program so that the parents can work outside the home. The FRC staff worked with the family, and the child is now on a waiting list for a specialized child care program. In addition, Child Services Coordination has been activated for the family. Together the parents and their child attend the weekly parent/child program at the FRC. The mother has been so satisfied with the family's FRC experience that she has accepted an invitation to become a member of the FRC Governing Board.

Human service agencies and organizations are working together in new and better ways because of Smart Start.

Collaboration occurs among public and private funders within Orange County and across the Triangle area to guarantee comprehensive information and referral service for families. The Orange Resource Connection (ORC) is funded jointly by the Partnership and Orange County Government and operated by the Triangle United Way (TUW). ORC has been replicated by the Durham Partnership, and joins with Wake County under TUW leadership to offer services to families throughout the Triangle. This quarter, publicity materials were developed to represent the services of all three county groups, which provided considerable cost-savings. During Hurricane Fran, for example, over 15,000 brochures were distributed at shelters, feeding sites and ice distribution locations to help families find help during this disaster

Child Care and Education

Subsidies

20 children with special needs have received Smart Start subsidized care this quarter.

90 children have received Smart Start subsidies through an increase in the eligibility scale or categories expansion this quarter.

239 other children (not including those counted above) have received Smart Start subsidized child care this quarter.

Quality Improvement

43 teachers have received teacher education, technical assistance and/or support services through a child care resource & referral agency this quarter.

206 teachers have participated in teacher education (not provided by a child care resource & referral agency) this quarter.

656 children enrolled in programs/classes that received quality enhancements this quarter.

Children with Special Needs

29 children with special needs have received one or more special therapies/interventions this quarter.

6 children with special needs have received care or support because of an emergency or crisis situation this quarter.

Health Care / Health Care Education

251 children have received immunizations this quarter.

567 children received health and/or developmental screenings this quarter.

Family and Community Services

Child Care Resource & Referral Services

69 families received direct child care resource and referral services this quarter.

17 families received indirect child care and related information, e.g., written materials, this quarter.

Parent Education and Support

58 families received parent education and/or support services in family resource centers this quarter.

1,201 families received parent education and/or support services in places other than family resource centers this quarter.

2,084 families were contacted through community outreach efforts, such as Family Ties, this quarter.

Transportation

34 children and family members were provided transportation to child care, health or other services this quarter.

Smart Start Impact

After about two years of attempting to get dental care for a child, a dental appointment in Hendersonville (approximately 130 miles from Swain County) was obtained by the Smart Start nurse from Graham/Swain District Health Department, for a Swain County child who had just turned 4 years old. This child had severe dental cavities but the parent was getting nowhere in obtaining care for him due to his age and also having Medicaid. Through Smart Start efforts, this child has received dental care. It took 4 trips out of his home county and a stay in the hospital for treatment. His mother was extremely pleased with the care he received.

In December, 1996, the Jackson County Family Resource Center, in Partnership with Department of Social Services and Jackson Paper Manufacturing Company, hosted a "Christmas Carnival" for approximately 100 children. These children had been identified through DSS as being children who would most likely not have much of a Christmas without some assistance. So, on December 14th, with the help of approximately 40 volunteers, these children were treated to a day of fun and learning. There were a variety of carnival booths ("Go Fish," "The Wheel of Fun," etc.)

Improving the lives of children and families.

Smart Start sponsors A Child's Garden Project, which provides professional mental health services to children, care providers and families. The following story is told by a Smart Start mental health professional who works in Region A:

A family with a very out-of-control four-year-old child asked for help because the child was expelled from child care for biting. The child was hitting and biting the mother also, and the mother was struggling to know what to do. She had to take a leave of absence from work to stay at home with him.

Services were started in the home setting to help the parents cope, learn how to set limits, and manage the child's behavior better. Both parents were encouraged to be involved in the services. 1-2-3 Magic was presented in two sessions with both parents present The father was willing to work on helping the child improve his behavior and support was given to implement time-outs with the child. After two months of services, the mother felt strong enough to return to work in the evening hours and let the father care for the child while she worked. The mother was also encouraged to continue with counseling for herself. While the child's behavior has improved and is more under control, referrals have been made for an EEG and an occupational therapy evaluation for sensory integration dysfunction. With all these early interventions in place and with continued support, this child should be better prepared to enter kindergarten in the fall of 1997 and to interact in more socially appropriate ways.

A young woman was first hired at the Macon Program for Progress (MPP) Head Start New Horizons Center as a part-time summer worker. She applied for and received an AmeriCorps scholarship. When she became pregnant, she put her name on the waiting list for child care at the New Horizons Center, hoping there would be an opening at the center where she was already working. On November 19, the young woman gave birth to a baby boy. Since MPP Head Start New Horizons Center had received funds to open an expanded classroom through the Region A Partnership Smart Start project, she did not have to wait long to have child care for her newborn son. She returned to work in December and is working to complete her AmeriCorps Scholarship project. She is happy that her son is housed at the New Horizons II Center next door to her classroom. On her breaks, she can go and spend time with him.

The young mother will soon complete her AmeriCorps project and plans to acquire a position in the child care profession. She has been an asset to her classroom with her innovative ideas and has also taken advantage of several training sessions offered through the Smart Start funded New Horizons Training Center. Without the additional child care slots funded by Smart Start, this young mother would have had to delay her career and missed the opportunity to touch the lives of the children she currently teaches.

face painting, "goodie bags," live entertainment and story-telling, crafts, food, a visit from none other than jolly-ole' St. Nick himself, and many more activities. The room was full of smiles and laughter — the Family Resource Center had truly been transformed into a magical place. It was hard to tell who had more fun — the volunteers or the children and their families! The Haywood County Smart Start Nurse received a call from a preschool director about a child who was having problems. In class, the child was very quiet and did not participate much. The teacher became concerned and wanted to rule out any physical problems. The child had previously passed a vision screening given last year. The nurse performed another screening and discovered that the child repeatedly stated he couldn't see the pictures at a distance with his left eye. He was referred and found to have a severe corneal infection (without symptoms) and to be very farsighted. The parents were very appreciative that these problems were found early. Without early intervention, the child could have lost vision in the left eye due to scarring. The father stated, "We weren't concerned that he wasn't reading, since I don't read much. We just thought he was a chip off the old block." The child's infection has been successfully treated and he is now wearing glasses.

Human service agencies and organizations are working together in new and better ways because of Smart Start.
Smart Start has encouraged Southwestern Child Development Commission to collaborate in many new ways with other agencies involved in early childhood education activities in Region A. Programs at the community colleges are excellent examples. Southwestern works with all three community colleges in Region A: Southwestern, Haywood, and Tri-County Community Colleges. All three community colleges have Carl Perkins Vocational Child Care Funds and Community College Child Care Funds to provide assistance to a small number of their students who have child care needs. Region A Smart Start can now offer additional child care funds for their students, and, with this additional funding source, many more students are able to attend community college. The Region A Smart Start subsidized child care enhancement program also enables the lab centers at community colleges to operate at a higher level of quality, which in turn provides students studying to be child care teachers a better field experience. This emphasis on quality will result in long-term dividends for Region A as the child care centers of the future operates as higher quality programs with better trained staff.

Child Care and Education

Subsidies

41 children with special needs have received Smart Start subsidized care this quarter.

41 children have received Smart Start subsidies through an increase in the eligibility scale or categories expansion this quarter.

483 other children have received Smart Start subsidized child care this quarter.

Quality Improvement

277 teachers have received teacher education, technical assistance and/or support services through a child care resource & referral agency this quarter.

430 teachers have participated in teacher education (not provided by a child care resource & referral agency) this quarter.

1,556 children enrolled in programs/classes that received quality enhancements this quarter.

Children with Special Needs

78 children with special needs have received one or more special therapies/interventions this quarter.

Educational Programs

1,563 children have received one or more educational programs this quarter.

Health Care / Health Care Education

632 children have received immunizations this quarter.

1,611 children received health and/or developmental screenings this quarter.

506 children have received any other health services, other than transportation, this quarter.

1,487 families have received health care education this quarter.

Family and Community Services

Child Care Resource & Referral Services

522 families received direct child care resource and referral services this quarter.

Parent Education and Support

1,487 families received parent education and/or support services in family resource centers this quarter.

468 families received parent education and/or support services in places other than family resource centers this quarter.

2,065 families were contacted through community outreach efforts, such as Family Ties, this quarter.

Smart Start Impact

The Partnership has funded two English as a Second Language (ESL) preschool projects with Stanly County Schools. These projects focus on Hmong and Hispanic families with children ages 3 to 4 years. Children participate in educational activities that help to improve their English. Parents participate on a regular basis. The project represents the first attempt by public schools in Stanly County to offer preschool programs during the school year.

Improving the lives of children and families.

Letter received by the Partnership from a parent:
"As a parent of a preschool graduate from Kiddie Kare, I would like to give my sincere appreciation for your help in acquiring computers for the children to learn on. Having such a good head start has made my son's transition from preschool to kindergarten much easier. His kindergarten teacher has commented on how good Kiddie Kare kids are at using the computer. I believe putting computers in preschool is wonderful in helping to prepare the children for school."

Human service agencies and organizations are working together in new and better ways because of Smart Start.

Stanly Community College (SCC) and the Partnership are working collaboratively to provide a family literacy program. SCC and the Partnership each provide a part-time instructor to assist parents in completing their GED or improving basic skills. Child care is provided to parents who attend the classes.

Child Care and Education

Subsidies

12 children with special needs have received Smart Start subsidized care this quarter.

219 other children (not including those counted above) have received Smart Start subsidized child care this quarter.

Quality Improvement

200 teachers have received teacher education, technical assistance and/or support services through a child care resource & referral agency this quarter.

70 teachers have participated in teacher education (not provided by a child care resource & referral agency) this quarter.

99 children enrolled in programs/classes that received quality enhancements this quarter.

208 memberships to the Early Childhood Resource Center were added this quarter.

Educational Programs

252 children have received one or more educational programs this quarter.

Health Care / Health Care Education

69 children received health and/or developmental screenings this quarter.

4 children have received any other health services, other than transportation, this quarter.

Family and Community Services

Child Care Resource & Referral Services

28 families received direct child care resource and referral services this quarter.

6 families received indirect child care and related information, e.g., written materials, this quarter.

Parent Education and Support

127 families received parent education and/or support services in family resource centers this quarter.

448 families received parent education and/or support services in places other than family resource centers this quarter.

13,000 families were contacted through community outreach efforts, such as Family Ties, this quarter.

Year 2
Partnerships

Smart Start Impact

Recently, a unique request for information was made to our Family Resource Center. A woman needed to find a location in the county that was suitable for supervised visits between her estranged husband and their children. According to Court orders, she needed to be able to offer evening hours as an option and at times would also need a person to supervise the visits. We felt that this was very much within the realm of what our Family Resource Center, in conjunction with the Partnership, should be offering to community families, and let the caller know that we would be happy to offer the FRC as a visitation site. All staff members were notified of the possibility of these visits and everyone was in agreement that we could and should offer the support.
Letter received by the Partnership from a family child care director:

"Thanks so much to everyone that has had a part in helping me improve the quality of my family child care. As you might know, at the family child care level, it's very hard to purchase the supplies you need to be at the quality level one prefers without a resource such as Smart Start.

In a small county, such as Ashe, you can even feel isolated in your profession, to the point of quitting. I feel the Ashe County Partnership for Children has improved that issue. I can relate to other child care providers, when attending workshops, or other events, more frequently now.

A special thanks for going beyond the call of duty to help me this past year with my education and to purchase needed supplies. It's people like you that make a program such as Smart Start successful!"

Improving the lives of children and families.

Children in the Touching the Lives of Children program, funded by Smart Start, are reported to be more attentive and to have increased attention spans after being involved with the program. They also use skills learned in the educational games at home, giving them an opportunity to participate in activities and stimulation not otherwise received at home. One volunteer reports that, at the first session, a child was only able to participate for a total of 10 minutes, being distracted by every noise and every object within reach. By the fourth session, the child stayed focused and played for more than half an hour. All suggested activities for the game were completed and the child and volunteer talked about how he could play at home with other activities. He was talkative, eager to create stories, and even played one game from the previous sessions' activities. This improved ability to concentrate on tasks will give this child a better chance of success in school.

A student enrolled in the Fleetwood Elementary School pre-kindergarten program, funded by Smart Start, is from a very low-income family. Since the child has been attending the pre-kindergarten program, his mother has been able to find a job outside the home and help the family begin to move toward sound financial footing.

Human service agencies and organizations are working together in new and better ways because of Smart Start.

The Smart Start funded pre-kindergarten program has a full-time assistant who is paid for by the Ashe County Board of Education. In addition, the Board of Education pays for supplies, equipment and training for the pre-kindergarten staff. Appalachian State University, located in an adjoining county, has placed a student teacher and an intern in the program who are working on their birth to kindergarten education degrees. New River Mental Health is collaborating with the Family Resource Center to develop a proposal for a Child Abuse Prevention Education Team, to be composed of professionals who volunteer their time to provide programs on Child Abuse Awareness and Prevention.

Child Care and Education

Subsidies

3 children with special needs have received Smart Start subsidized care this quarter.

34 children have received Smart Start subsidies through an increase in the eligibility scale or categories expansion this quarter.

267 other children have received Smart Start subsidized child care this quarter.

Quality Improvement

26 teachers have participated in teacher education (not provided by a child care resource & referral agency) this quarter.

304 children enrolled in programs/classes that received quality enhancements this quarter.

Children with Special Needs

3 children with special needs have received one or more special therapies/interventions this quarter.

1 child with special needs has received care or support because of an emergency or crisis situation this quarter.

Educational Programs

39 children have received one or more educational programs this quarter.

Health Care / Health Care Education

55 children have received immunizations this quarter.

90 children received health and/or developmental screenings this quarter.

111 families have received health care education this quarter.

Family and Community Services

Child Care Resource & Referral Services

45 families received direct child care resource and referral services this quarter.

10 families received indirect child care and related information, e.g., written materials, this quarter.

Parent Education and Support

40 families received parent education and/or support services in family resource centers this quarter.

105 families received parent education and/or support services in places other than family resource centers this quarter.

1,119 families were contacted through community outreach efforts, such as Family Ties, this quarter.

Transportation

16 children and family members were provided transportation to child care, health or other services this quarter.

Smart Start Impact

A key to the improvements in human services and early childhood education is the Partnership forums provided for agencies and organizations to get together and discuss issues. Social Services, Mental Health, Transportation, the Health Department and child care providers now work together in a variety of ways that could not have been imagined two years ago. A very specific outcome is the opening of a "AA" licensed center and the subsequent upgrading to 'AA' of two other centers. The combination of funds and motivation was provided by Smart Start!

Improving the lives of children and families.

A young single mother with two sons became involved in Partnership projects through the Kindersport program. She has hooked into many agencies and services that she had not known existed prior to Kindersport. the informal discussions she had with staff at the class led to her youngest son getting enrolled in public preschool, and she has recently moved into her own home due to Habitat for Humanity.

Human service agencies and organizations are working together in new and better ways because of Smart Start.

The Kiwanis Club and Project Avery Literacy have both made significant contributions to the work of the Partnership, the former financially and the latter with tutoring. The Chamber of Commerce has also contributed financially. All three groups participated in our Child Fest. Both Partnership and Kiwanis volunteers now help out at the Chamber.

Child Care and Education

Subsidies

35 children have received Smart Start subsidies through an increase in the eligibility scale or categories expansion this quarter.

Quality Improvement

70 teachers have received teacher education, technical assistance and/or support services through a child care resource & referral agency this quarter.

298 children enrolled in programs/classes that received quality enhancements this quarter.

Children with Special Needs

12 children with special needs have received one or more special therapies/interventions this quarter.

Educational Programs

205 children have received one or more educational programs this quarter.

Health Care / Health Care Education

92 children have received immunizations this quarter.

57 children received health and/or developmental screenings this quarter.

14 children have received any other health services, other than transportation, this quarter.

Family and Community Services

Child Care Resource & Referral Services

117 families received direct child care resource and referral services this quarter.

450 families received indirect child care and related information, e.g., written materials, this quarter.

Transportation

67 children and family members were provided transportation to child care, health or other services this quarter.

Smart Start Impact

The new collaborations are numerous and sometimes hard to capture on paper. The Ridgecrest community is now able to have a Family Resource Center. The staff at this Resource Center makes home visits in order to provide parenting education and support to the parents. They also assist the parents in getting prepared for the job market. They have been instrumental in educating the parents on the importance of play to future learning. The goal is to help the parents have their children ready to learn at school age. The staff also is responsible for ensuring that the families at Ridgecrest have access to the necessary services to become self sufficient.

A new service currently being developed is the Family Child Care Home Continuum. This program will provide support and mini-grants to family child care home providers. The continuum has a focus on encouraging professionalism and developing respect for the important role these providers fill in the child care market. Prior to Smart Start and the Children's Resource Center, these providers did not have a voice in the community and did not meet together. Now they meet monthly and share resources. The Children's Resource Center provides toy lending kits to the providers in order to allow them the ability to offer toys to the children. The Children's Resource Center has become an integral part of the child care community. Directors have commented that prior to the implementation of this Smart Start funded program they did not feel they had a advocate in the community. The director of the Children's Resource Center has become a advocate for quality care and for the importance of bringing respect to the field of child care.

Improving the lives of children and families.

One child served by the Early Childhood Support Team (ECST) was having many aggressive behavior problems at child care and at home with his mother. The ECST staff provided the teacher with behavior management information and technical assistance. They also provided parenting information and counseling to the parents. The parents report many positive changes in the child's behavior. The child care center reported that his behavior has drastically improved which allows the child to stay in child care.

Subsidized child care is helping a mother meet the basic needs of her children, as well as making sure that the family stays intact. The mother had previously abused the child and has spent the last year in a treatment program. She was at risk of losing the children if she could not prove herself to be a responsible parent. Smart Start offered a safe place for the children to be while mother made the transition to independence. Smart Start child care also provided assistance to allow the mother time to look for a job.

Human service agencies and organizations are working together in new and better ways because of Smart Start.

Our city and county libraries are working together in a collaborative arrangement for the first time. The Smart Start funding is provided to the city library, and the program is delivered by both library systems. The Youth Services Directors of both libraries worked together to interview staff for the Books on the Go program. They have also started providing extended services to the child care community.

Another new collaboration being developed is through the Training Committee co-chaired by the Children's Resource Center and the Smart Start program. This committee is dedicated to developing a Professional Development program for Child Care directors and providers. Representatives include those from the community college, Lenoir-Rhyne College, the Science Center, library, Early Childhood Support Team, Cooperative Extension, child care directors and teachers, and the licensing consultant for child care programs. This group will be working to develop a professional continuum for directors and teachers.

Child Care and Education

Subsidies

4 children with special needs have received Smart Start subsidized care this quarter.

689 children have received Smart Start subsidies through an increase in the eligibility scale or categories expansion this quarter.

188 other children (not including those counted above) have received Smart Start subsidized child care this quarter.

Creating additional spaces for children in preschool programs

Note: Child care spaces created in licensed/regulated child care centers and family child care homes will be reported through a state-level reporting system.

16 permanent child care spaces have been created in legally operating, but unlicensed preschool programs-this quarter. (Ex: Head Start*, Chapter I, half-day preschools).

**Head Start programs and Public Preschool/Chapter I programs operated by public school systems are not required to be licensed by the state. However, some of these voluntarily choose to obtain state licensing.*

Quality Improvement

131 teachers have received teacher education, technical assistance and/or support services through a child care resource & referral agency this quarter.

257 teachers have participated in teacher education (not provided by a child care resource & referral agency) this quarter.

300 children enrolled in programs/classes that received quality enhancements this quarter.

Children with Special Needs

16 children with special needs have received one or more special therapies/interventions this quarter.

Educational Programs

701 children have received one or more educational programs this quarter.

Health Care / Health Care Education

6 children received health and/or developmental screenings this quarter.

71 children have received any other health services, other than transportation, this quarter.

31 families have received health care education this quarter.

Family and Community Services

Child Care Resource & Referral Services

132 families received direct child care resource and referral services this quarter.

232 families received indirect child care and related information, e.g., written materials, this quarter.

Parent Education and Support

60 families received parent education and/or support services in family resource centers this quarter.

155 families received parent education and/or support services in places other than family resource centers this quarter.

125 families were contacted through community outreach efforts, such as Family Ties, this quarter.

Transportation

6 children and family members were provided transportation to child care, health or other services this quarter.

Smart Start Impact

After receiving planning funds for six months, the Parent Education Program (PEP) is now up and running. The PEP has attracted nearly 50 parents from across the county to the workshops which are offered twice weekly. Evaluation ratings from attendees average 4.8 on a 5-point rating scale for all workshops and classes. Parents from both Head Start and the Smart Start-funded Little Kids program are being encouraged to attend by each program's staff. As a Little Kids' staffer puts it, "These are exactly the type of programs that we have strived to create. We are currently discussing new strategies." As a result of having parent programs readily accessible and the ability to refer parents to a program well-regarded by attendees, more staff time is now devoted to home visitation and other program efforts.

Improving the lives of children and families.

A final review of the Health and Safety evaluations of 28 child care sites has been provided by Health Directions, Inc. This is a review of the work accomplished during the 95-96 fiscal year. The data revealed that significant improvements in child safety appear to have been made at the 28 child care sites assessed by this program. The Health and Safety Intervention Program provided each child care site with an environmental assessment for both indoor and outdoor areas. Recommendations for improvements were prioritized according to need to correct potential danger to children. Each provider and the Chatham County Partnership was provided with an extensive report detailing each item identified as Priority 1 (hazards that could result in a life-threatening injury), Priority 2 (hazard that could produce a serious or debilitating injury), or Priority 3 (hazards that could lead to an injury requiring minor medical treatment).

The following table shows the number of priorities in each category.

Priority	Status of Recommendations	Indoor (N=267)	Percent Corrected	Outdoor (N=279)	Percent Corrected
1	corrected	91	77%	150	82%
	not corrected	27		32	
2	corrected	82	70%	78	75%
	not corrected	35		26	
3	corrected	67	81%	51	75%
	not corrected	16		17	

These results indicate that the 344 children enrolled with these providers now have significantly safer environments. It is worth noting that a total of 241 potentially life-threatening Priority 1 hazards, indoor and outdoor, have been corrected and are no longer a present danger to children. An additional 160 Priority 2 hazards have been corrected, preventing the possibility of debilitating injuries. The Health and Safety Intervention Program has helped increase safety of child care environments in for one-third of providers and over 25% of the children in child care in Chatham County. Transportation is a problem for many clients of Smart Start programs. There is not public access to the county transportation system. Some programs contract through the Chatham Transit Network to provide transportation to and from programs, but for many families, transportation is a major obstacle. Transportation remains a significant barrier that confounds the outcomes of many Smart Start funded programs, and prevents many families from providing for their children.

Human service agencies and organizations are working together in new and better ways because of Smart Start.

The Family Resource Center Coordinator writes:

"A common goal of human services programs is to educate and develop the skills of participants to go back into the community to help disseminate information and encourage peers to improve the quality of life within the

community. Many of the programs funded by Smart Start are peer-based and strive to accomplish this goal. The fruits of this effort are beginning to become apparent at the Family Resource Center (FRC). Program participants and staff members are encouraged to think of ways they can work within the community demonstrating positive methods of achieving personal well-being and financial self-sufficiency. During this quarter, participants and staff in FRC programs have donated time, food, clothing and new toys. This comes from many people who themselves are struggling to support families. They have reached out to the battered women's shelter, delivered books and magazines to women isolated from the community, provided transportation, learned about and practiced good nutrition, and spoken of increased confidence in their abilities and improved self-esteem. Smart Start has given many members of the community renewed faith in themselves. Smart Start not only affects children and families served by Smart Start funded programs, but it is also having a profound effect on those who are employed by Smart Start programs. Smart Start is indeed changing the quality of life in Chatham County.

Child Care and Education

Subsidies

32 children with special needs have received Smart Start subsidized care this quarter.

147 other children (not including those counted above) have received Smart Start subsidized child care this quarter.

Quality Improvement

11 teachers have received teacher education, technical assistance and/or support services through a child care resource & referral agency this quarter.

118 teachers have participated in teacher education (not provided by a child care resource & referral agency) this quarter.

281 children enrolled in programs/classes that received quality enhancements this quarter.

Children with Special Needs

67 children with special needs have received one or more special therapies/interventions this quarter.

20 children with special needs have received care or support because of an emergency or crisis situation this quarter.

Educational Programs

15 children have received one or more educational programs this quarter.

Health Care / Health Care Education

33 children have received immunizations this quarter.

77 children received health and/or developmental screenings this quarter.

7 children have received any other health services, other than transportation, this quarter.

Quality Improvement

599 teachers have received teacher education, technical assistance and/or support services through a child care resource & referral agency this quarter.

69 teachers have participated in teacher education (not provided by a child care resource & referral agency) this quarter.

87 children enrolled in programs/classes that received quality enhancements this quarter.

Children with Special Needs

8 children with special needs have received one or more special therapies/interventions this quarter.

53 children with special needs have received care or support because of an emergency or crisis situation this quarter.

Educational Programs

579 children have received one or more educational programs this quarter.

Health Care / Health Care Education

27 children have received immunizations this quarter.

486 children received health and/or developmental screenings this quarter.

102 children have received any other health services, other than transportation, this quarter.

628 families have received health care education this quarter.

18 pregnant women identified with a substance abuse problem were in treatment this quarter.

Family and Community Services

Child Care Resource & Referral Services

89 families received direct child care resource and referral services this quarter.

534 families received indirect child care and related information, e.g., written materials, this quarter.

Parent Education and Support

76 families received parent education and/or support services in family resource centers this quarter.

314 families received parent education and/or support services in places other than family resource centers this quarter.

1,269 families were contacted through community outreach efforts, such as Family Ties, this quarter.

69 professional leaders from the community received education regarding child and family needs and services this quarter.

108 families have received health care education this quarter.

Family and Community Services

Child Care Resource & Referral Services

352 families received direct child care resource and referral services this quarter.

114 families received indirect child care and related information, e.g., written materials, this quarter.

Parent Education and Support

511 families received parent education and/or support services in family resource centers this quarter.

129 families received parent education and/or support services in places other than family resource centers this quarter.

3,356 families were contacted through community outreach efforts, such as Family Ties, this quarter.

Transportation

203 one-way trips were provided for children and family members to child care, health or other services this quarter.

1,825 people in the "community at large" were provided with information regarding child and family needs and services this quarter.

Transportation

102 children and family members were provided transportation to child care, health or other services this quarter.

Smart Start Impact

More and more women are becoming excited about the importance of breastfeeding through the Expanded Foods and Nutrition Education Program. Several of the breastfeeding moms have stated that they wish the program had existed when they gave birth to their first child. The mothers are reporting that the breastfed babies are gaining weight much faster than their bottle fed babies.

Human service agencies and organizations are working together in new and better ways because of Smart Start.

Agencies are spreading the word about Smart Start. Most agencies are making referrals to Smart Start servces. Many call to find out about what services Smart Start offers. The activities co-sponsored by Smart Start are reporting increases in the number of referrals they are receiving.

Child Care and Education

Subsidies

117 children have received Smart Start subsidies through an increase in the eligibility scale or categories expansion this quarter.

Quality Improvement

76 teachers have received teacher education, technical assistance and/or support services through a child care resource & referral agency this quarter.

12 teachers have participated in teacher education (not provided by a child care resource & referral agency) this quarter.

261 children enrolled in programs/classes that received quality enhancements this quarter.

Children with Special Needs

3 children with special needs have received one or more special therapies/interventions this quarter.

Educational Programs

127 children have received one or more educational programs this quarter.

Health Care / Health Care Education

225 children have received immunizations this quarter.

127 children received health and/or developmental screenings this quarter.

214 children have received any other health services, other than transportation, this quarter.

30 families have received health care education this quarter.

Family and Community Services

Child Care Resource & Referral Services

17 families received direct child care resource and referral services this quarter.

380 families received indirect child care and related information, e.g., written materials, this quarter.

Parent Education and Support

98 families received parent education and/or support services in family resource centers this quarter.

167 families received parent education and/or support services in places other than family resource centers this quarter.

Transportation

328 children and family members were provided transportation to child care, health or other services this quarter.

Smart Start Impact

As part of an ongoing initiative to streamline the subsidized child care system in Durham, the Subsidy Design team developed four options for implementation of a centralized, family-friendly system of making subsidies available to families this quarter. During the next quarter, these options will be reviewed and adopted by the community and by department heads of the participating agencies with a target implementation date of July 1, 1997. Durham's Partnership Family Work Group offered an all day collaboration training for 15 Work Group members for the purpose of assisting them with designing and implementing a funding recommendations process that nurtures collaborative projects. As a result of the training, the Family Work Group will give special attention to proposals from agencies or programs for FY97/98 that seek to develop truly collaborative relationships with pooling of resources and missions.

Improving the lives of children and families.

Durham Public Schools Family Resource Center assisted the mother of a child who is blind and developmentally delayed with speech problems to secure child care funds so her son could attend a child care program (housed within Durham Public Schools) with typically developing children. In addition to assisting the mother with securing Department of Social Services funds, Family Resource Center staff have developed a plan with child care providers, therapists, and administrators to meet the child's needs. FRC staff will continue to serve as liaisons and advocates for the family.

Human service agencies and organizations are working together in new and better ways because of Smart Start.

In FY 95/96, Durham's Partnership sponsored a series of discussions with key community leaders about comprehensive systems change initiatives. As a result of those interviews, the following people have met several times this quarter to discuss how these agencies can begin to work together more systematically. Specifically, they are looking at the strategic plans of each of these organizations with the intent of developing one common goal. The "people at the table" are:

Area Director of Mental Health
County Health Department Director
County Department of Social Services Director
Triangle United Way Director
County Manager
Assistant County Manager
City Manager
Durham Technical Community College President
Duke University, Vice President for Community Relations
Chamber of Commerce, Vice President
Superintendent, Durham Public Schools
Durham Congregations In Action
Durham Ministerial Alliance
Durham's Partnership for Children

Child Care and Education

Subsidies

310 children have received Smart Start subsidies through an increase in the eligibility scale or categories expansion this quarter.

131 other children (not including those counted above) have received Smart Start subsidized child care this quarter.

Quality Improvement

393 teachers have received teacher education, technical assistance and/or support services through a child care resource & referral agency this quarter.

79 teachers have participated in teacher education (not provided by a child care resource & referral agency) this quarter.

1,318 children enrolled in programs/classes that received quality enhancements this quarter.

55 child care providers were offered technical assistance for business management practices this quarter.

Children with Special Needs

107 children with special needs have received one or more special therapies/interventions this quarter.

7 children with special needs have received care or support because of an emergency or crisis situation this quarter.

Educational Programs

102 children have received one or more educational programs this quarter.

Health Care / Health Care Education

15 children have received immunizations this quarter.

50 children's immunization records were updated this quarter.

265 families were contacted regarding missed immunization appointments for their children this quarter.

1,134 children received health and/or developmental screenings this quarter.

47 families have received health care education this quarter.

Family and Community Services

Child Care Resource & Referral Services

74 families received direct child care resource and referral services this quarter.

193 families received indirect child care and related information, e.g., written materials, this quarter.

Parent Education and Support

209 families received parent education and/or support services in family resource centers this quarter.

165 families received parent education and/or support services in places other than family resource centers this quarter.

19,864 families were contacted through community outreach efforts, such as Family Ties, this quarter.

Transportation

75 children and family members were provided transportation to child care, health or other services this quarter.

Smart Start Impact

There are incredibly exciting forms of collaboration and new approaches going on in the county. This area of impact is difficult to capture — it certainly doesn't show up necessarily in the quarterly report numbers — but may be one of the most significant aspects of Smart Start work over the long haul. In an urban county, such as Forsyth, where there are multiple agencies, often duplicating services, tripping over each other in service delivery, missing some groups or needs, and previously not communicating well with each other, collaboration is particularly necessary and important. What follows simply highlights a few of the significant developments:

Collaboration with the United Way and other funders: In the last six months, as we worked with one of our contracting agencies funded by several sources, we became very aware of the need for increased coordination between Forsyth Early Childhood Partnership (FECP), United Way, and local foundations, since we provide funding to many of the same agencies. FECP has developed a monitoring system for providing both fiscal and programmatic oversight—but how much more effective we could be if all funding sources shared similar expectations in fiscal and program monitoring! Furthermore, as we reviewed our programs, we became increasingly aware of the need to build the capacity for effective service delivery and management of our contracting agencies. Consequently, we have held several planning sessions with the United Way to explore joint efforts in the areas cited below. This spring, we will pilot our efforts with one or two agencies under consideration for funding by both of us. When we are satisfied with the model, we will approach Foundations about participating in this effort and will expand it to other agencies. Some expected outcomes are:

- Allocation decisions in areas affecting young children, which could lead to joint presentation and review sessions, as agencies would present requests and program plans simultaneously to FECP and United Way.
- Fiscal and programmatic monitoring: establish similar expectations and joint monitoring; would further prevent possibilities for inappropriate expenditures or double charging; which should reduce recordkeeping by agencies, if required reports are similar.
- Collaborative work in building the capacities of agencies
- Joint planning/funding of professional development experiences.
- Shared review and evaluation of programs.

Community-wide strategic planning: We are currently working with two other community planning efforts (Common Vision and Forsyth Futures) to develop a structure for shared community planning for all efforts directed at children.

Professional development and improved networking of agencies serving children and families: FECP holds a monthly meeting of all agencies with Smart Start contracts. These meetings are well-attended (usually about 60 people from over 50 agencies), with great energy and enthusiasm during the meeting. We have used these meetings for two primary purposes: (1) Networking and referral: the agencies share their current services; share resources; make referrals to each other; and provide service to each other; (2) We provide a professional development experience at each meeting. For example, in October, our program was on "Elements that must be present if a community is to effectively nurture children;" in November we brought in facilitators to present an outstanding program on "Marketing your program and involving reluctant clients;" in January, we will present "The cultural context of human development;" in February will be "The impact of systems thinking on collaboration;" and March's program will focus on "Effective financial management." This is a cost-effective way to gradually build the effectiveness and expertise of many agencies simultaneously.

Collaboration with business in providing child care scholarships: In December, we launched a new effort. We are meeting with area businesses to solicit participation in a scholarship fund for child care. Our first participant, Integon Corporation, donated $15,000 in December, matched by Smart Start dollars, creating a $30,000 fund for child care scholarships for Integon employees with children birth through 5 years and maximum annual incomes of $2,000 over DSS guidelines. We have several other businesses interested in joining this exciting effort!

Centralized services to child care providers: Our Technical Assistance Center has proven extremely effective in centralizing support services and training experiences for all the child care providers in the county. Providers come to the center to check out curriculum kits complete with materials for working with their children; to check out professional development books and videos; to pick up handouts on specific topics; to observe presentations in the model classrooms; to use support services, such as a copier, laminating machine, or computers; to receive consultation services; and to go through training experiences. In the past year, 1,327 providers participated in training sessions at the TAC. In addition, the TAC selects and coordinates providers of Enrichments experiences for children that go out to the child care centers, including music experience through the Symphony and Musicare; art experiences; a movement and exercise program; "Mr. Friendly's" self-esteem and environmental awareness programs; swimming instruction through the local Y; multicultural storytellers; drama; and others. These have given an immediate boost to the quality of experiences for children, and work long-range to improve the education and professionalism of staff.

Availability of parenting information and support: In collaboration with Forsyth Memorial Hospital, we now provide child development and parenting materials (such as a video, a notebook, and other items) to every parent upon the birth of a child. Note: this has become a regional effort, since Forsyth Hospital serves several counties. FECP provides these materials to every baby, regardless of county of origin. In addition, in collaboration with doctors, businesses, schools, and agencies, we are distributing racks of parenting cards on a variety of topics.

Evaluation of parenting programs: Evaluation of parent support programs is often difficult. Our UNC-G evaluation team has met collectively with the agencies providing Smart Start family support programs several times, has facilitated intense debate around the issues of assessing effective parenting in culturally sensitive ways, and is developing new or improved instruments to use toward this end. This is also facilitating open dialogue among professionals about cultural differences in parenting — a subject often avoided in the past. In turn, this is promoting increased understanding, reduced antagonism, and reconciliation between ethnic and socio-economic groups.

Improving the lives of children and families.

Our Father Support programs have been helpful in encouraging increased participation by fathers with their children; increased employment; and reduced dysfunctional patterns. Some examples: When one father entered the program, he and his wife were both unemployed; consequently, he was living with his mother and his wife and child were living with her mother. After participating in support group meetings and with staff assistance, the father found a job. He and his wife now have an apartment and are living together. When a second family entered the program, they had been homeless for two years. The program helped the family find housing, food, and fuel; the father located a job; and both parents now participate in father/mother support groups.

Our telephone outreach program has been very effective in helping parents with problem situations, as the following demonstrates: A mother called Parent Line and asked for help with her 12-month old child who had a bruise on his forehead from "banging his head on the floor or on furniture when he was mad and being bad." The worker helped the parent analyze the patterns as to when and why this behavior occurred, enabling the mother to understand that the child was not "being bad." Together, they

explored optional ways to handle the situations. The mother has since reported cessation of the behavior. Another family had a problem with a toddler not sleeping (no nap and up much of the night). They had sought help from their doctor, but had not gotten any suggestions. Again, the worker helped the family analyze recent changes in the family that might be contributing to the problem and explored optional responses, with the parents subsequently reporting relief at improvements.

One of our Great Beginnings parent educators noticed that a 12-day old baby did not appear to be nursing well; was not urinating frequently enough; and appeared pale and apathetic. The teen-parent asked the parent educator to call a nurse at Baptist Hospital to convince her that the baby needed to be seen. The doctor found the baby dehydrated, losing weight, and in need of lab work. With further medical intervention and supplemental feedings, the baby began gaining weight.

In our Nutrition program for expectant parents, two teens recently gave birth to full term, healthy, full weight babies. Teens participating in this program have substantially lower incidences of low birth weight babies.

A Motheread participant writes that, "Being a student and a working parent at the same time is exhausting, but this small portion of success with the respect that I receive from the Motheread program is great and makes me feel good about myself. I have learned to separate the categories — mother, student, working parent. I am a mother and I am proud. I am a student, I am proud. I am a working parent, I am proud."

Human service agencies and organizations are working together in new and better ways because of Smart Start.

Great Beginnings, our Parents as Teachers program, now has 27 parent educators working in 13 different agencies. The supervisor, placed in one agency, supervises all of the parent educators, provides support services, arranges the monthly in-service training sessions, and maintains contact with the national center. Another exciting development: the National Parents as Teachers Center called in December to express interest in including our Great Beginnings program as one of four PAT programs across the U. S. participating in a longitudinal evaluation focusing on urban programs. We hope to be selected for this, as it will provide excellent research!

We have just established a more extensive collaborative approach to the Peer Counseling for nursing mothers. Research has demonstrated that breastfeeding has definite health benefits for babies, as well as positive impact on parent-child bonding. There are also strengths in using peers in parenting counseling and support. However, these peer counselors needed more extensive professional supervision than they had been receiving. We have just established a collaboration with certified lactation consultants from WIC and Bowman Gray Medical School providing monthly in-service training to the ABCD Peer Counselors and the Welcome Baby volunteers who visit new mothers in the hospital. In addition, these consultants will be available on call as needed for daily concerns or questions. There will be no charge for these services by WIC and Bowman Gray. Finally, ABCD will include 4 WIC counselors under their Smart Start contract and provide their pay. This collaboration results in smoother delivery of services and ensures high quality services.

Smart Start funded the provision of incentives for participation in Baby Love — that has now been expanded in exciting ways. Originally, parents who participate in Baby Love groups received "Baby Bucks" for attendance which could be accumulated and cashed in for car seats, cribs, and high chairs. Now, the Health Department has negotiated arrangements with doctors through which these "bucks" are also given if parents keep their pre-natal medical appointments, and take their baby in for well-baby checkups. There are negotiations under way now to further expand the incentives to include attendance at Cooperative Extension nutrition programs.

Smart Start funded an Inclusion program, through which the Special Children's School mainstreams

children with special needs in typical child care programs, with training for the providers. Now, we have brought to the table the Winston-Salem/Forsyth County School System and are working on an expanded inclusion program for 3- and 4-year old children with special needs, currently served half day in the public schools.

Child Care and Education

Subsidies

79 children with special needs have received Smart Start subsidized care this quarter.

459 children have received Smart Start subsidies through an increase in the eligibility scale or categories expansion this quarter.

546 other children have received Smart Start subsidized child care this quarter.

Creating additional spaces for children in preschool programs

Note: Child care spaces created in licensed/regulated child care centers and family child care homes will be reported through a state-level reporting system.

486 permanent child care spaces have been created in legally operating, but unlicensed preschool programs-this quarter. (Ex: Head Start*, Chapter I, half-day preschools).

**Head Start programs and Public Preschool/Chapter I programs operated by public school systems are not required to be licensed by the state. However, some of these voluntarily choose to obtain state licensing.*

Quality Improvement

540 teachers have participated in teacher education (not provided by a child care resource & referral agency) this quarter.

9,836 children enrolled in programs/classes that received quality enhancements this quarter.

Children with Special Needs

419 children with special needs have received one or more special therapies/interventions this quarter.

Educational Programs

987 children have received one or more educational programs this quarter.

Health Care / Health Care Education

40 children have received immunizations this quarter.

1,560 children received health and/or developmental screenings this quarter.

1,123 children have received any other health services, other than transportation, this quarter.

1,580 families have received health care education this quarter.

Family and Community Services

Child Care Resource & Referral Services

146 families received direct child care resource and referral services this quarter.

125 families received indirect child care and related information, e.g., written materials, this quarter.

Parent Education and Support

332 families received parent education and/or support services in family resource centers this quarter.

7,067 families received parent education and/or support services in places other than family resource centers this quarter.

Transportation

212 one-way trips were provided for children and family members to child care, health or other services this quarter.

Smart Start Impact

Early childhood education for children ages 1 through 3 years and literacy training, along with parenting education, has been made available for 13 families living in Greene County. This early intervention opportunity with transportation has been possible because of Smart Start funding. None of this would have been possible without this early childhood initiative.

Improving the lives of children and families.

A three-year-old boy served by a Smart Start funded program was identified as needing speech testing. His mother didn't realize that he might have problems with his speech because she thought his speech was typical for a three-year-old. He now speaks more clearly and seems less frustrated because he is understood.

Human service agencies and organizations are working together in new and better ways because of Smart Start.

A family literacy program held a Family Literacy Day. High school students from a local private school worked with younger children making literacy fun. The local health department did a puppet show promoting safety. One of the communities State Legislators and members of the Board of Education came and offered their support.

Another example of the community coming together, as a direct result of Smart Start, was exemplified when adult family literacy students volunteered their services to several local public agencies.

An assistant parent coordinator has offered technical assistance to a Smart Start center and an Even Start adult class.

An Hispanic mother of two, involved in a family literacy program, serves as a translator for the local health department.

An instructor is shared by the community college, an Even Start program, and a family literacy program funded by Smart Start.

Child Care and Education

Subsidies

15 children have received Smart Start subsidies through an increase in the eligibility scale or categories expansion this quarter.

99 other children have received Smart Start subsidized child care this quarter.

Quality Improvement

99 teachers have received teacher education, technical assistance and/or support services through a child care resource & referral agency this quarter.

295 children enrolled in programs/classes that received quality enhancements this quarter.

Children with Special Needs

125 children with special needs have received one or more special therapies/interventions this quarter.

Educational Programs

501 children have received one or more educational programs this quarter.

Health Care / Health Care Education

98 children have received immunizations this quarter.

531 children received health and/or developmental screenings this quarter.

21 children have received any other health services, other than transportation, this quarter.

1,472 families have received health care education this quarter.

Family and Community Services

Child Care Resource & Referral Services

5 families received direct child care resource and referral services this quarter.

86 families received indirect child care and related information, e.g., written materials, this quarter.

Parent Education and Support

311 families received parent education and/or support services in places other than family resource centers this quarter.

490 families were contacted through community outreach efforts, such as Family Ties, this quarter.

Transportation

25 children and family members were provided transportation to child care, health or other services this quarter.

Smart Start Impact

Through the Family Resource Center, a woman started attending class from the startup date back in October and "graduated" with a certificate granted by the Partnership. From the start, she worked very hard. She shared with the class her desire to work full-time and the personal goals she wanted to achieve in the computer class. She had perfect attendance in the computer class and achieved all of her goals. Consequently, she called the FRC office, and communicated that she is working full-time using her computer skills, how much she enjoyed the computer class and expressed her thanks to Smart Start.

Improving the lives of children and families.

More available, immediate, increased level of evaluation and therapeutic services are now in place for abused/neglected children under 5 years, and their siblings including 135 therapy sessions with children, 260 family contacts/sessions, and 87 professional contacts

Human service agencies and organizations are working together in new and better ways because of Smart Start.

Smart Start has made substantial, potentially long lasting collaborative, multi-disciplinary efforts among the specific agencies and community organizations concerned about young children. Specific examples include on-going interaction and cooperation among Kids First, Inc., the Health Department, the Department of Social Services, Mental Health, law enforcement, Distract Attorney's Office, domestic violence shelter, and the Pasquotank County Partnership for Children.

Child Care and Education

Subsidies

246 other children have received Smart Start subsidized child care this quarter.

Quality Improvement

53 teachers have received teacher education, technical assistance and/or support services through a child care resource & referral agency this quarter.

8 teachers have participated in teacher education (not provided by a child care resource & referral agency) this quarter.

408 children enrolled in programs/classes that received quality enhancements this quarter.

Children with Special Needs

13 children with special needs have received one or more special therapies/interventions this quarter.

13 children with special needs have received care or support because of an emergency or crisis situation this quarter.

Educational Programs

129 children have received one or more educational programs this quarter.

Health Care / Health Care Education

132 children received health and/or developmental screenings this quarter.

152 families have received health care education this quarter.

Family and Community Services

Child Care Resource & Referral Services

41 families received direct child care resource and referral services this quarter.

20 families received indirect child care and related information, e.g., written materials, this quarter.

Parent Education and Support

39 families received parent education and/or support services in family resource centers this quarter.

211 families received parent education and/or support services in places other than family resource centers this quarter.

139 families were contacted through community outreach efforts, such as Family Ties, this quarter.

Transportation

57 children and family members were provided transportation to child care, health or other services this quarter.

Person County Partnership for Children

Smart Start Impact

Smart Start funds have created a larger local community based service area for the children and families of Person County. Many families used to travel to Durham, Chapel Hill and South Boston, VA, to receive many of the services that are now offered in the county. Examples of these are prenatal care and delivery, parent education, and academic education for child care providers. Smart Start funds allow for 15 programs to continue to address the needs of the community by providing local accessibility. For example, instead of a family calling Durham and waiting for a return call regarding sickle cell traits of their twins, they received a home visit and resource information to ease their concerns from the Babytime nurse funded by Smart Start. Prior to Smart Start, many local child care providers were commuting to Durham Technical College for the Early Childhood Education program. This commute required them to be on the highway late at night or perhaps miss classes during inclement weather, which resulted in many students dropping out. Now, with the early childhood program at Piedmont Community College, these issues for the students are eliminated. Smart Start made this happen!

Improving the lives of children and families.

Smart Start has increased the chances for a stable future for an infant of a local teen mother. The teen mother had no child care or funds to secure quality child care. Due to the Smart Start program, she was able to locate a registered provider with the assistance of CCR&R, and receive Smart Start subsidy and transportation for her child. Without these services, the 10th grader more than likely would have had to drop out of school, thereby increasing the chances that the welfare cycle would continue. The teen contacted the office to thank the staff for assisting her.

Human service agencies and organizations are working together in new and better ways because of Smart Start.

Agencies and organizations in the community continue to develop stronger communication and a secure service base. The service base allows for a greater utilization of the services by individuals in need. Resources and information are shared by each agency to provide service to those individuals who may have slipped through the service system in the past. The sharing between agencies also decreases the chances for duplication of services. A family was assisted by the Child Care Emergency Scholarship for two weeks, when one of the parents was out of work because of a car accident. Without payment of child care fees, this child would have been dismissed from the child care center causing additional stress for the child and family. As a follow-up referral, the family was informed of the child care subsidy and the family received temporary assistance until the parent returned to work.

Child Care and Education

Subsidies

98 children have received Smart Start subsidies through an increase in the eligibility scale or categories expansion this quarter.

143 other children (not including those counted above) have received Smart Start subsidized child care this quarter.

Quality Improvement

87 teachers have received teacher education, technical assistance and/or support services through a child care resource & referral agency this quarter.

332 teachers have participated in teacher education (not provided by a child care resource & referral agency) this quarter.

659 children enrolled in programs/classes that received quality enhancements this quarter.

1,560 hours of staffing were provided by CCR&R substitutes in child care facilities this quarter.

Children with Special Needs

48 children with special needs have received one or more special therapies/interventions this quarter.

12 children with special needs have received care or support because of an emergency or crisis situation this quarter.

Educational Programs

70 children have received one or more educational programs this quarter.

Health Care / Health Care Education

9 children received health and/or developmental screenings this quarter.

40 children have received any other health services, other than transportation, this quarter.

51 families have received health care education this quarter.

Family and Community Services

Child Care Resource & Referral Services

36 families received direct child care resource and referral services this quarter.

36 families received indirect child care and related information, e.g., written materials, this quarter.

Parent Education and Support

258 families received parent education and/or support services in places other than family resource centers this quarter.

225 families were contacted through community outreach efforts, such as Family Ties, this quarter.

Transportation

69 children and family members were provided transportation to child care, health or other services this quarter.

Smart Start Impact

Outreach: The act of reaching out; the extending of services or activities beyond current or usual limits. This definition describes the role of outreach workers in Wilkes County. From January 1995 to the present, Wilkes Outreach Workers have reached out to hundreds of families and their children by providing resources ranging from educational support to social interaction skills. Outreach started reaching out to communities by making personal home visits to families wanting or needing advice on parenting issues. Outreach offers developmental screenings, child care services, and suggestions for age-appropriate activities that parents can use at home with children. Outreach provides information to families on all Smart Start programs and resources available to them in the county. The focus of Outreach has mainly been a one-on-one relationship between parents and their preschoolers. The program has now expanded to include more group activities to encourage social and emotional development.

Outreach implemented three new programs this year: Drop In and Play, Crafts for Kids, and Teen Parent program. Drop in and Play is a daytime activity session for parents and children to socialize, play, and learn in a structured environment — the Family Resource Centers. Drop In and Play builds the social skills of children and parents by allowing them to interact with people from different backgrounds and cultures. Crafts for Kids gives children 2 through 5 years of age and their parents the opportunity to interact with other children and explore the world of art. By participating in Crafts for Kids, the parent learns which skills are developed from each activity and can then take this knowledge home to use to encourage further growth and development. Both of these child-focused programs are very important for children's social, intellectual, language, and fine motor skills development. Outreach for Teen Parents provides a curriculum for high school students, based on parenting activities to help young people build support groups and gain experience in nurturing their children. Touching the Lives of Children is an outreach program beginning in the county. It involves a series of board games designed to challenge children's memory, decision making, and problem solving skills. Outreach plans to use this program for children who have never been in a preschool setting. Outreach has many continuing programs that have been very successful. A strong bond has developed between Outreach and the Hispanic community through English as a second language classes at the YMCA. Outreach also provides Motheread classes at different locations throughout the county. Motheread shows parents ways of reading to their children interactively that encourage learning.

Human service agencies and organizations are working together in new and better ways because of Smart Start.

Mobile Expanded Child Health (MECH) is a collaborative health services program operated through the Health Department. An adolescent/high school health project in place prior to Smart Start funding used Smart Start funds to add preschool health services in October 1995. A 36-foot mobile medical unit travels to the four county high schools, Head Start centers, community sites including Family Resource Centers, child care centers, public housing units, and elementary schools.

The purpose of the preschool portion of this health project is to fill gaps in medical services available for preschoolers. Well-child and kindergarten physicals are offered to children who do not have a regular doctor or who cannot schedule appointments in time to avoid suspension from school, child care or Head Start. A sliding scale fee is charged or Medicaid reimbursement is filed. Required immunizations are provided at no cost for anyone who needs them. The team staff includes registered nurses, physician assistant, and medical office assistant, with consultation

services provided as needed by a pediatrician and dietitian.
From October 1995 through June 1996, 282 children received services through MECH. Since July 1, 1996, 47 preschoolers have received well-child exams including vision, hearing, and developmental screenings, and laboratory, history, and physical examination services. Each exam takes approximately 2 hours to complete. In addition, 18 children have received immunizations only. Vision screenings are scheduled for children in Head Start centers who have not previously been screened. MECH plans to also work cooperatively with public preschool programs and child care centers, to screen preschoolers and refer children for needed services.

Child Care and Education

Subsidies

16 children with special needs have received Smart Start subsidized care this quarter.

355 other children have received Smart Start subsidized child care this quarter.

Creating additional spaces for children in preschool programs

Note: Child care spaces created in licensed/regulated child care centers and family child care homes will be reported through a state-level reporting system.

12 new family child care homes were created this quarter.

Quality Improvement

135 teachers have received teacher education, technical assistance and/or support services through a child care resource & referral agency this quarter.

7 teachers have participated in teacher education (not provided by a child care resource & referral agency) this quarter.

38 children enrolled in programs/classes that received quality enhancements this quarter.

Children with Special Needs

178 children with special needs have received one or more special therapies/interventions this quarter.

Educational Programs

373 children have received one or more educational programs this quarter.

Health Care / Health Care Education

9 children have received immunizations this quarter.

7 children received health and/or developmental screenings this quarter.

128 children have received any other health services, other than transportation, this quarter.

59 families have received health care education this quarter.

Family and Community Services

Child Care Resource & Referral Services

111 families received direct child care resource and referral services this quarter.

68 families received indirect child care and related information, e.g., written materials, this quarter.

Parent Education and Support

30 families received parent education and/or support services in family resource centers this quarter.

46 families received parent education and/or support services in places other than family resource centers this quarter.

127 families were contacted through community outreach efforts, such as Family Ties, this quarter.

251 people accessed materials through the Parent/Provider Lending Library this quarter.

Transportation

48 children and family members were provided transportation to child care, health or other services this quarter.

Year 3 Partnerships

Year 3 partnerships received planning and administrative funds from July through December, 1996. Beginning in January, 1997, funds are available to provide services to children and families.

Smart Start Impact

In Alleghany county, child care has often been an afterthought in terms of considering work and economic issues. To increase awareness of child care issues, the Partnership has located its Child Care Resource & Referral office in the county's newly established Job Link office. Job Link is an effort to bring job-related services together under one roof. This office houses full time offices of the Employment Security Commission, JTPA, and CCR&R and part-time offices for Work First and Vocational Rehabilitation. The offices are also located in the same building as the community college satellite campus, making it especially convenient for individuals needing child care to attend school. The immediate goal for having CCR&R located here is to be in the flow of people moving into new jobs and to communicate to job hunters that child care arrangements are a top priority and can be planned well in advance. A longer term goal is to make a statement to employers that child care is an critical component in the process of securing a job.

Improving the lives of children and families.

Last fall, the county's largest employer began a third shift operation, the first time in this small county that a significant number of individuals were employed on a third shift. A short time later that employer referred Joe, a young, single father, to Alleghany Child Care Resource & Referral. Following a long night of work, Joe sat slumped in a chair in the CCR&R office, fighting sleep with constant chatter while explaining his current dilemma. Joe was new to this rural North Carolina county where most of the 9,500 residents know their neighbors. Recently separated, Joe had no family and no local acquaintances to call on for help with child care. He had nothing and yet he had everything: Picture after picture of his precious daughter stuffed his wallet.

Joe faced the dilemma of every parent balancing work and family, with an added complication — Alleghany County had no registered or licensed child care arrangements for night care. He had no one to trust with his most precious gift, not even a prospect.

Contacting several local registered family child care homes and explaining Joe's plight, the CCR&R coordinator was able to find a family care home willing to provider overnight care. This being the county's first experience with night care and with a new child care coordinator at the Department of Social Services, the process required a hands-on approach to get the home registered for night care and to get Joe subsidy assistance.

The problems seemed solved until Joe showed up a short time later, again slumped in the chair in the CCR&R office, this time holding a red-headed little girl. In attempting to solve the novelty of night care, it was overlooked that Joe would need daytime care as well so that he could sleep.

Among the Department of Social Services, the regional subsidy consultant, the provider, and Joe, a second plan of care was authorized with the same provider so that Joe could sleep several hours each day. His daughter benefits from the undivided attention of her father during their time together and the consistency of a single child care provider. Now Joe can effectively fulfill his roles as both a father and a breadwinner. CCR&R not only served the real need of a parent, but also showed it can adapt local resources to meet the evolving needs of local employers.

Human service agencies and organizations are working together in new and better ways because of Smart Start.

In November, 1996, the Alleghany Partnership contacted service agencies regarding local maternal and child health needs in response to an announcement by the NCPFC of the availability of Glaxo Wellcome Community Enhancement Funds. Although the county ranks low statewide in teen pregnancies, public health and others have identified this as a persistent problem in the county that has gotten too little attention. The Partnership pulled together representatives from Public Health, Department of Social Services, the Family Resource Center, Cooperative Extension, and Alleghany County Public Schools to explore the problem further.

A survey was conducted. Public Health identified 23 expectant teens and teen mothers and managed to contact 18 of them. This survey revealed an extremely isolated group that is more likely to have a second child than to complete a high school education. Social Services did a records check of abuse and neglect cases that revealed, during the past three years, 45% of such reports came from families where one or both parents became a parent while a teenager.

Using this information and other statistics, a successful grant application was written that utilized resources from the school system, public health, Cooperative Extension, and the Family Resource Center to offer a one-day-a-week program to provide: support to teen parents and expectant teens in their roles as parents and in completing their education; acquisition of skills that they will need as young adults and parents; knowledge about available services to parents and children; and encouragement in completing their educational career. Teen parents and expectant teens are involved in planning the program which is expected to begin on a limited basis the first week in February.

This is the first time in recent memory that a collaborative effort around the issue of teen pregnancy has involved such a large number of local agencies. In fact it is one of the few efforts that has gone beyond a single agency. Smart Start coordinated this effort!

Through the use of administrative funds:

Child Care and Education

Quality Improvement

4 teachers have received teacher education, technical assistance and/or support services through a child care resource & referral agency this quarter.

Family and Community Services

Child Care Resource & Referral Services

16 families received direct child care resource and referral services this quarter.

19 families received indirect child care and related information, e.g., written materials, this quarter.

Buncombe County Partnership for Children

Smart Start Impact

A unique collaboration of Resource and Referral and child care providers has formed to develop a new "bench-marking process" for waiting list reduction. In brief, the coalition has met 4 - 5 times to develop a bench-marking criteria, template design, and reporting procedure. The outcome of the project will be to assist the Partnership in determining the impact of Smart Start dollars on reducing the number of children from the child care subsidy waiting list.

Human service agencies and organizations are working together in new and better ways because of Smart Start.

The most immediate result of the Smart Start effort is formation of several new partnerships and collaborations within the child care community. For example, as a result of the Buncombe County Partnership for Children's bidders orientation, the Asheville School District, Family Services, and local hospital groups, are collaborating on a community initiative for the first time. The grant project will support the provision of one-on-one support to individual families to assist parents in being their children's first and best teacher. In this process, several new organizations, such as The Puckett Institute, have surfaced as new players in the child care community.

New Hanover Partnership for Children

Smart Start Impact

Even though Smart Start service dollars have only been available in New Hanover County for a short time, that support is already making a difference in the local provision of services. Child Care Resource & Referral has used Smart Start funding to create "Smart Packs." These kits provide basic health and safety supplies to new home child care providers that are essential to operation. Items include a fire extinguisher, a smoke detector, two lock boxes for medicines, a refrigerator thermometer, outlet plugs, a sponge alphabet set, and a book on quality child care. Costing approximately $100, this Smart Pack has removed a financial obstacle and made it possible for several providers to begin operation, often in lower income neighborhoods where convenient, accessible and quality care is very much needed.

Human service agencies and organizations are working together in new and better ways because of Smart Start.

The New Hanover County Partnership for Children allocated Smart Start funding for 13 programs to begin providing services January 1, 1997. As a part of our long-term goal of ensuring accessible, affordable, quality child care in New Hanover County, many agencies are coming together to provide new, or enhance existing, services to child care providers so that, together, a nurturing, healthy and stimulating environment is developed where young children thrive and become prepared to succeed to school.

The American Red Cross is offering training in the health, wellness and safety of young children to all child care providers as well as training in cultural sensitivity.
Child Care Resource & Referral is implementing a four level quality development program for child care facilities and registered homes to assist them in achieving "AA" licensing status and NAFCC accreditation, respectively.
The New Hanover County Health Department is providing public health nursing services to children ages birth through 5 years on-site in local child care settings.
With the addition of a full-time Executive Director, we are looking forward to continued and enhanced leadership by the Partnership in collaborative efforts to identify and address the needs of young children in New Hanover County, especially in the areas of health, child care and family support.

Through the use of administrative funds:

Child Care and Education

Subsidies

164 other children (not including those counted above) have received Smart Start subsidized child care this quarter.

Family and Community Services

Child Care Resource & Referral Services

95 families received direct child care resource and referral services this quarter.

30 families received indirect child care and related information, e.g., written materials, this quarter.

Pamlico Partnership for Children

Pamlico Partnership for Children did not report this quarter.

Robeson County Partnership for Children

Smart Start Impact

Through the use of some administrative funds, we were able to purchase 23 Peabody Early Experiences Kits (PEEK) and provide training to all interested child care providers in the county. All the individuals and agencies attending the training received PEEK kits. Comments made by all participants were very encouraging:

"I have really enjoyed this workshop. I learned a lot about the PEEK program kit. I think this workshop should continue in order to help others in the preschool and child care programs."

"I really enjoyed this information and training. The materials were very appropriate. The visual materials were adequate and well organized. This workshop will benefit me as center manager in helping my staff and teachers to motivate and inspire their children and parents through this curriculum. I would like to see a follow-up given by the same presenter."

With our county being approved for program funding, we are very excited and busy in the planning stages. We are prepared to help larger numbers of children and families when we receive service funds.

Improving the lives of children and families.

We were able to directly help children and families through providing our Peabody Early Experience training and kits. One of the participants commented that she had had a PEEK kit in her classroom for quite a while, but that it was never used because no training had ever occurred and the kit was missing some essential components. Since the Smart Start-sponsored training, the teacher has ordered the missing pieces and implemented the curriculum.

Human service agencies and organizations are working together in new and better ways because of Smart Start.

With the anticipation of upcoming program funding, we are seeing increased participation among agencies and organizations who have come "to the table." The following agencies are sharing ideas and working very hard as a team: Health Department, NC Cooperative Extension, Lumberton Children's Clinic (private pediatric group), Lumber River Council of Governments, Public Library, Child Care Directions, and the Public Schools. We are looking forward with great excitement to making Smart Start work for Robeson County.

Rutherford County Partnership for Children

Smart Start Impact

Many agencies and non-profits in Rutherford County have come together through the grant process and are working together to determine the best way to deliver services. The partnership will report on the outcome of this collaboration as funding for these services begins in 1997. Some examples of new Smart Start programs include:

- a family preservation program through the mental health department that will work intensively with families and children at-risk of being removed from the home;
- a child care subsidy project to decrease the waiting list for eligible families needing child care;
- a child care subsidy project to increase wages of child care providers as they receive more education (WAGE$);
- a competitive grant program to fund increases in child care quality and licensure status (A to AA, for example) and to recruit for non-traditional child care situations (for example, infant and non-first shift child care spaces).

Human service agencies and organizations are working together in new and better ways because of Smart Start.

Rutherford County went through the bidding selection process in the second quarter of 1996-97. Several collaborations among community agencies and organizations developed during that process. For example, the Hospital will administer a health care screening project and the Department of Social Services is working with the hospital to identify and contact all Medicaid eligible children to further improve the program. The Parents As Teachers (PAT) program has targeted 75% of its new families to be Medicaid families. Since this is a voluntary program, recruitment will be needed. The partnership is helping offices develop a program that will combine resources in Social Services, Health, the Hospital, and doctor's offices to recruit for this school-based PAT program.

Stokes County Partnership for Children

Smart Start Impact

The Partnership worked collaboratively with the Local Interagency Coordinating Council, in sponsoring an Early Intervention Health Fair. No Smart Start funds were used — only in-kind donations. This could not have happened without the leadership of the Stokes Partnership.

The Partnership has coordinated pre-employment physicals for child care providers through the health department. This effort evolved through a collaboration between the Health Department and the Partnership.

The Partnership is working with other ARC counties to address common needs through a regional approach such as a Dental Care Initiative.

The Partnership has collaborated with AmeriCorps and now have a sponsored member who is working

with the Partnership to set up English as a Second Language classes for mothers, with rotating child care being provided by other moms within the county.
Informational packets for families have been distributed through the library system to augment their educational services for families.
A collaborative effort has begun to create a Family Resource and Education Center. Although this proposal was not funded, the planning is continuing by bringing the agencies and community together, looking at community resources and finding a way to make it happen, because this county desperately needs it.

Improving the lives of children and families.

A board member, who has been working part-time, has not been able to make ends meet and has received assistance. She is a Work First mom who is now enrolled at Forsyth Technical Institute, working part-time, and loving the new road that education has taken her down. Her self-esteem dramatically increased this summer when she volunteered as a Work First volunteer for the Partnership. She began to see herself in a different light as a professional. She has a 4.0 average at Forsyth Tech and plans to get her bachelor's degree to better provide for her family.

Human service agencies and organizations are working together in new and better ways because of Smart Start.

Agencies are supporting and working to create a Family Resource Center and are committed to making it happen. We started with four agencies and now have approximately 20 agencies and community groups who are interested in working together on this project.

Through the use of administrative funds:

Child Care and Education

Quality Improvement

37 teachers have received teacher education, technical assistance and/or support services through a child care resource & referral agency this quarter.

Health Care / Health Care Education

15 children have received any other health services, other than transportation, this quarter.

Family and Community Services

Child Care Resource & Referral Services

9 families received direct child care resource and referral services this quarter.

30 families received indirect child care and related information, e.g., written materials, this quarter.

Parent Education and Support

34 families received parent education and/or support services in places other than family resource centers this quarter.

Smart Start Impact

A fragmented county has worked together as never before! With three separate schools systems, two county arts councils, and two chambers of commerce, Smart Start has brought the county together as never before.

Improving the lives of children and families.

The board approved unspent administration dollars to buy toys for the children's waiting room at the Health Department. The children and parents have expressed much appreciation for this.

Human service agencies and organizations are working together in new and better ways because of Smart Start.

Staff of the Partnership, such as outreach workers, have been shared with all agencies in the county. This serves as an opportunity to link all agencies together and prevent duplication of services.
New associations have formed with the assistance of Smart Start staff support. The Child Care Association is becoming a stronger organization with more benefits to the members. Presently, a Foster Parent Association is forming.

Through the use of administrative funds:

Child Care and Education

Quality Improvement

57 teachers have participated in teacher education (not provided by a child care resource & referral agency) this quarter.

Family and Community Services

Child Care Resource & Referral Services

77 families received indirect child care and related information, e.g., written materials, this quarter.

Parent Education and Support

44 families received parent education and/or support services in places other than family resource centers this quarter.

17 families were contacted through community outreach efforts, such as Family Ties, this quarter.

Smart Start Impact

The last few months of 1996 were very active ones for Smart Start in Wake County. Since learning last quarter that program funding would be received around the first of the year, the partnership carefully revised the Strategic Plan. The Board welcomed three new Board Members and began a search for hiring an Executive Director. Programmatically, administrative funds were redirected for use as grants to child care centers and family child care homes that were impacted by Hurricane Fran. A total of 21 centers and homes received grants ranging from $500-$1,000 each. Grants were used for an array of items, including replacing damaged toys, repairing damaged playgrounds, replacing spoiled food, and repairing or replacing other items damaged by the storm. Grants were made only for items not covered by other sources such as insurance. This could not have occurred without Smart Start in Wake County.

Improving the lives of children and families.

Thirty low-income preschoolers and their parents went to the opera to see "Amahl and the Night Visitors," the inaugural performance by the Opera Company of North Carolina. This trip for the children and their families was made possible by individual and corporate sponsors of this event. This was a unique cultural experience for these children who might not otherwise have had this opportunity.

Human service agencies and organizations are working together in new and better ways because of Smart Start.

Three "Bidders Conferences" were held and attended by 60 agencies and organizations interested in applying for Smart Start program funds. The thrust of these sessions was to have various organizations concerned with early childhood and family success connect with each other. As a result of these sessions, several organizations from across the community joined together and submitted collaborative proposals for funding by Smart Start. Wake County SmartStart plans to continue being a catalyst for community collaboration and cooperation.

Through the use of administrative funds:

Family and Community Services

21 child care centers and homes received a Hurricane Fran Capacity Restoration Grant, with amounts ranging from $500 to $1,000 each, this quarter.

Smart Start Impact

Parenting skills development was an area of need identified by parents and professionals and adopted as a Smart Start project. Curriculums for parenting skills classes were reviewed and selected by the Preschool Interagency Council, and purchased with Smart Start administrative funds. A pilot program was conducted in the summer of 1996. The program was such a success that a continuing series of parenting skills classes evolved. Sessions are conducted quarterly and allow participant entry at any time. Classes are held weekly for two hours with transportation and child care provided. Specific topics about family life, parenting skills, and child care and development are presented through a video series, hands-on activities, and open discussion.

The program is a wonderful example of collaboration with contributions from:

- AmeriCorps — child care services
- Cooperative Extension Agency — instructor and curriculum coordinator
- The Enrichment Center — transportation
- The Food Pantry — refreshments
- Preschool Interagency Council — curriculum coordination, referrals and follow along services, plus child care services
- Smart Start — curriculum funding, facility, materials, and service coordinator

Improving the lives of children and families.

A young mother of four children moved to Washington County. The children did not move with their mother, but remained in Grandma's care in another state. This young mother has a history that includes drug abuse. The young mother gave birth to a fifth child while residing in Washington County. Smart Start sponsors parenting classes in the community, and, although the mom was reluctant to attend, she agreed to in order to cooperate with social services.

After a week or two in the parenting class, the young mother emerged as a leader. Her comments evolved from "Why do we have to come?" and "When can we leave?" to "Oh, I didn't know that" and "Hey, so it's okay to plan and have fun with my baby." In the following months, the mom became even more supportive of the parenting class. Her attitude toward herself and her child have changed dramatically. The young mother is preparing to get her GED and a job. Positive changes are showing up in the baby, too. The baby is 6 months old, and laughs, sits alone, grasps toys and is bonding well with her mom. Circumstances have greatly improved for this mother and her child because Smart Start is active in Washington County. The young mother expressed her feelings about her participation in the parenting classes this way: "This parenting thing is like saving your life and your child's too — that's the best definition I can give for it."

Human service agencies and organizations are working together in new and better ways because of Smart Start.

From the mental health perspective, where interagency efforts are crucial to quality service provision, agencies have, in fact, begun to work more closely together to collaboratively provide services. Open, honest communication between agencies is first and foremost in the interagency process, and the ways and means to achieve this have become more apparent. Staff members are working collaboratively between agencies to provide better services. For example, at the same time the Parenting Class meets, early childhood specialists work with the children through play in groups and one-on-one, helping to build appropriate developmental skills.

Child Care and Education

Subsidies

8 children with special needs have received Smart Start subsidized care this quarter.

100 other children have received Smart Start subsidized child care this quarter.

Family and Community Services

Parent Education and Support

12 families received parent education and/or support services in places other than family resource centers this quarter.

Transportation

3 children and family members were provided transportation to child care, health or other services this quarter.

Wilson County Partnership for Children

Smart Start Impact

Wilson County Partnership Board hired its new Executive Director in November, 1996. The director brings to the Partnership over 20 years of experience in public administration and human services work. The director and the board are focusing on establishing sound accounting practices and procedures. Wilson County has assumed payroll functions at no cost to the partnership, a new office location was opened with the office space donated by Wilson County.

In December, the partnership board funded several program initiatives:

- Wilson County Schools was awarded a grant to implement a Family Literacy Program.
- Department of Social Services was awarded funding for an Automatic Information and Communication Project, to enable human service agencies to communicate better and access client data more effectively.
- The Health Department was provided with funding to acquire computer hardware and software to track children who are delinquent with immunizations and interface with the state's database in order to provide a broader range of immunization data for local health and human service providers.
- Department of Social Services was able to substantially reduce the waiting list for child care subsidies by approximately 200 children as a result of Smart Start funding for temporary support personnel.

Year 4 Partnerships

Year 4 partnerships are receiving planning and administrative funds for the 1996-97 state fiscal year.

Anson County Partnership for Children

Impact of Smart Start

The last quarter of 1996 found the Anson County Partnership for Children "getting ready to start up." The nonprofit status was granted on December 24 after months of preparation by board members and board attorney. Representatives of the board have attended Orientation for Year 4 Counties in Raleigh, Child Care Resource and Referral Network Orientation in Charlotte, Fundraising Information Meeting in Fayetteville, Regionalization Information Meeting in Raleigh, and Regionalization Discussion in Rockingham. Partners in Innovation was contracted to provide technical assistance to the partnership in the area of strategic planning. The Executive Committee conducted a search for the Partnership's first Executive Director and selected an executive director to begin employment on January 1, 1997.

Human service agencies and organizations are working together in new and better ways because of Smart Start

Representatives of organizations and human service agencies in Anson County continued working together on the Anson County Partnership for Children. Collaboration led to success as the Partnership was granted nonprofit status and the funding of the Glaxo Wellcome Enhancement Grant was announced.

Bertie County Partnership for Children

Human service agencies and organizations are working together in new and better ways because of Smart Start

Human service agencies in the county have come together using Smart Start as common ground. This has helped to develop better relationships between staff in the agencies. Through this collaboration, agencies will more effectively meet the needs of the county without duplicating core services or expenditures of funds.

The Health Department, Department of Social Services, Day Care Association, Board of Education, and Family Resource Centers have joined forces to plan for service implementation.

Some new groups of agencies that have also "come to the table "are the Bertie County Arts Council, Mid-East Commission, and Merry Hill Women's Auxiliary.

The Executive Director serves as liaison between all agencies involved.

Because the Partnership Administration Office has not yet been set up, the YMCA allows its receptionist to receive phone communication for the Executive Director and also provides temporary housing for the partnership.

Impact of Smart Start

Brunswick is a fourth year partnership and is getting started with the strategic planning process. Because of partnership efforts, the county is benefiting from the WINGS program, the Preschool Music Hour, the Association of Child Care Professionals, and increased services at the Teen Family Development Project. The partnership is also responsible for an increased level of awareness in the community of the importance of the first five years of children's lives.

Collaboration isn't new to Brunswick County — many relationships have been formed, laying a solid foundation for the collaborative work that is ahead for the partnership. For example, the partnership has built a collaborative relationship with Communities in Schools, Brunswick County Schools, and the community to implement the Touching the Lives of Children program. The partnership received $90,000 in private dollars to implement the program at six elementary schools, a Family Resource Center and the five large child care centers in the county. The schools invested an additional $65,000 in supplementary materials. The program began in October, 1996, and, since that time, 320 children ages birth through 5 years have been assessed and many volunteer hours have been logged. In January, the program expanded to the child care community, where it is anticipated that an additional 350 young children will be served.

Human service agencies and organizations are working together in new and better ways because of Smart Start

The Teen Family Development Project (TFDP) is a good example of agencies working together effectively to connect consumers to services. Funding from government and private sources have been blended to support this program. Services for the teen parents and their children that are under the umbrella of TFDP are located at the county's alternative school and in other community agencies:

The partnership and Department of Social Services provide child care subsidies to teen parents with young children who are not otherwise eligible for child care subsidies.

Brunswick Learning Center alternative school provides education, teachers, and classrooms for teen parents.

Brunswick County Schools and its Board actively support and advocate for TFDP.

The Family Support Services Coordinator in the Department of Social Services helps connect teen parents and their extended families with needed services.

The Cooperative Extension sponsors a nutrition program designed for teen parents.

The Health Department provides prenatal exams, WIC certification, immunizations, and child birth classes for pregnant teens.

The Human Development Coordinator at Brunswick Community College provides vocational counseling and basic life skills classes for the teen parents.

Mental Health provides support services for teen parents.

Local churches solicit for equipment, toys, clothes, diapers, and Christmas presents for teen parents and their children.

Columbia-Brunswick Hospital provides on-site child birth classes.

Community and business volunteers help support the program.

Through the use of administrative funds:

Child Care and Education

Subsidies

7 children have received Smart Start subsidized child care this quarter.

Quality Improvement

71 teachers have participated in teacher education (not provided by a child care resource & referral agency) this quarter.

Educational Programs

37 children have participated in the Preschool Music Hour this quarter.

395 children 5 years and under have participated in the Touching the Lives of Children program this quarter.

Family and Community Services

Parent Education and Support

25 families have received health care education and parent education and/or support services in places other than family resource centers this quarter.

Columbus County Partnership for Children

Impact of Smart Start

Columbus County was selected as a Round 4 partnership and formally created in 1996. The partnership group had worked together previously to complete two Smart Start applications that were not funded. Since being selected as a Round 4 partnership, Columbus Partnership has been awarded a grant through private funds from the NC Partnership for $21,500 that will be used by the Health Department to expand an existing postpartum-newborn visitation program. Partnership members are also participating on several other community initiatives for young children.

Human service agencies and organizations are working together in new and better ways because of Smart Start

The Partnership has contracted with the community college to provide personnel from the Early Childhood Department to help facilitate the program planning phase. Partnership members are also serving on the board of the Family Resource Center, working with existing agencies to promote awareness of Smart Start in the community, and meeting with other county partnerships to discuss regionalization. Partnership board members are also involved in the cross-county meetings.

The partnership is not yet providing direct services. Planned program funding will, for example, help subsidize child care services for children of teen parents and offer quality improvement grants to child care providers to help upgrade the safety and quality of existing playgrounds.

Dare County Partnership for Children

Impact of Smart Start

The beginning of Smart Start in North Carolina in the early 1990's ('93 & '94) caused the county to develop a partnership organization along the guidelines of the programs. This planning group has evolved into the non-profit partnership, Children & Youth Partnership for Dare County, which has been in existence since 1994 without any state funds. This group has been the catalyst for the development of a youth center and a group home for abused and neglected children. Using the Smart Start model, our board was helpful in setting the stage for the collaboration necessary to make these projects happen.

Human service agencies and organizations are working together in new and better ways because of Smart Start

Because of the partnership organization, there are:

- Better lines of communication among staff at human service agencies serving young children and the opportunity for staff from several agencies to communicate at same time during partnership board meetings.
- Better understandings and awareness of the scope of available services among agency workers and private citizens.
- More education and awareness about the partnership and its mission within the public and private sectors.

Guilford County Partnership for Children

Impact of Smart Start

Smart Start has had a very positive impact on Guilford County in a very short period of time. To begin with, the 35 member partnership board was formed according to guiding principles as follows: the Partnership Board shall be community based; the Partnership Board shall consist of up to 35 members with the 15 non-required member slots filled to assure roughly equal Board representation from the public sector, private sector, and community-at-large; Board representation shall address issues of racial, ethnic and economic diversity and shall include grass roots representatives; the Partnership Board shall be proportionally representative of the county in diversity; it is desirable to have an agency chair, rather than a professional, serve as a member of the Partnership Board, whenever possible; conflicts of interest shall be avoided, wherever possible, by not including representatives likely to be contractors.

Because of these guiding principles, the Partnership Board has broad representation from the community and there is a feeling of trust and openness. We believe that, while a broad representation of members who do not know each other requires more team building in the beginning, our end product will be a Smart Start plan that can be embraced and endorsed by the entire county.

Human service agencies and organizations are working together in new and better ways because of Smart Start

The Partnership Board began meeting in November, 1996, and are just beginning the strategic planning and board team building processes. However, new forms of communication among agencies and citizens at large are taking place. There are two working committees of the partnership that involve a wide range of agencies and citizens at large: the Community Involvement Committee and the Quality Child Care Visioning Committee.

Though the work of the diverse 25-member Community Involvement Committee, six focus groups and three community meetings are planned for the month of February, 1997, to receive input on what people want for young children and their families.

The Quality Child Care Visioning Committee is an outgrowth of a smaller committee of university and community college professionals, as well as owners and directors of child care centers and others, who have been meeting for two years. This committee is responsible for developing the Child Care Quality Enhancement Project, spearheaded by the Guilford County Office for Children, that is currently funded by county government. The Committee has now enlarged to over 30 people, and includes parents, day care home providers, and other interested parties. There is an outside facilitator who will be making recommendations to the partnership board regarding enhancing the quality of child care in Guilford County. The use of an outside facilitator has proven to be extremely effective, and has saved time and increased the efficiency of the Committee.

Hoke County Partnership for Children

Impact of Smart Start

A group in Hoke County has worked on partnership applications since the beginning of Smart Start in North Carolina. The group consists of staff from the Health Department, Cooperative Extension, Head Start, the Family Resource Center, the Methodist's Children's Home, and other service agencies. The application that was accepted and designated Hoke County as a Round 4 Smart Start partnership reflected more collaboration, planning, and evidence of prior accomplishments on the part of the involved agencies and organizations in the community than did previous applications. And, in fact, this collaborative evolution has already sparked the development of many activities that benefit young children in Hoke County.

Human service agencies and organizations are working together in new and better ways because of Smart Start

Although no Smart Start funds were received in Hoke County until the end of December, 1996, the process of developing the partnership grant applications has helped collaboration efforts develop in the county. For example, prior to receiving Smart Start funds, the group operating as the partnership helped to administer an SOS grant from the NC Department of Human Resources for middle school students, forming a partnership with the Hoke County Schools.

Iredell County Partnership for Children

Impact of Smart Start

The Iredell County Partnership application was selected for funding in this fourth round. The needs assessment was done by several agencies working together to collect current data about the needs of our county's children and families. These agencies included Department of Social Services, Health Department, Healthier Iredell Children, Iredell/Statesville Schools, Iredell/ Statesville Schools Division of Exceptional Children, Agricultural Extension Service, Parents and Children Together (PACT), and Parents as Teachers. This bringing together of the many programs currently serving community children helped demonstrate the gaps in those services provided. It seems, for example, that Iredell County is doing a good job with immunizations for young children, but is lacking in services for dental and eye care for young children. There seems to be a need for parent education, since a large percentage of adults in the county do not have a high school education. There is also a large group of teenage mothers in the county with many and various unmet needs. Through Smart Start funding, the partnership hopes to be successful in providing services and educational resources in each of these areas.

Human service agencies and organizations are working together in new and better ways because of Smart Start

Through county collaboration in collecting the information for the Smart Start application, two important working groups were formed. One is "Healthier Iredell Children" that works to see that children are immunized and receive medical care. The other is "Friends of Children". This group brings together Department of Social Services, Interagency Coordinating Council, Health Department ,child care providers, Exchange Club Child Abuse and Prevention Center (SCAN), Iredell/Statesville Schools and Mooresville Division of Exceptional Children programs, and Agricultural Extension Service, to plan ways to collaboratively serve the children in Iredell County. Not only does this group strive to provide services such as screening, immunizations, and health information to young children and their families, but also the group plans a very inclusive WEEK OF THE YOUNG CHILD. The fire department and all of the above agencies and organizations work together to plan many activities that bring the community together to focus on young children and caregivers.

The partnership has already received several in-kind donations and given many hours of volunteer effort. Prior to receiving funds, a child care program loaned money to pay to advertise for an executive director. The local school system loaned money to expedite the application for non-profit status.

Numerous volunteer hours have been given by members in the community in helping to develop the board and to prepare information packets for each member.

We are excited to see the potential to make a difference in the lives of our children through Smart Start.

Lee County Partnership for Children

Impact of Smart Start

The establishment of the Lee County Partnership has expanded efforts to broaden services to children and families. Through board membership, individual agencies are able to reduce solitary efforts and increase a more unified and systemic approach to advocacy, education and information sharing.

Human service agencies and organizations are working together in new and better ways because of Smart Start

The Partnership continues to recruit a broad diversity of members. The goal is to develop a partnership

that is inclusive and representative of the residents of Lee County.
No services are being delivered at this time. However, the partnership sponsored a Child Watch Tour for key entities within the county. Representatives from public, private and civic sectors were able to see the various resources, restrictions, opportunities and challenges that a Lee County child might experience.

McDowell County Partnership for Children

Impact of Smart Start

The McDowell County Partnership for Children & Families has begun exploring the possibility of working with a group of local industries to provide work-site day care for their employees and the community. The committee is continuing to meet to determine interest and cost associated with such a project.
The Partnership Board authorized the hiring of an Executive Director and a Strategic Planning Consultant effective the first of 1997.

Moore County Partnership for Children

Impact of Smart Start

Smart Start has been the catalyst in bringing together many agencies and organizations in Moore County. There have been many positive liaisons throughout the community simply as a result of agency and organization representatives sitting at the same table. The partnership has recently hired a new Executive Director who will begin later this month and is just now beginning the strategic planning process.

Human service agencies and organizations are working together in new and better ways because of Smart Start

The partnership has met with neighboring counties to study the regionalization concept and look at ways to provide services.
Many agencies are already networking and doing cross referrals as a result of Smart Start partners sitting around the same table. Committees and task forces are being formed, and, as a result, more agencies with common interests will communicate and join forces to implement Smart Start activities with young children's needs as their primary and common focus.

Impact of Smart Start

The Partnership Board was established in 1993-94 to prepare Smart Start applications. Rowan County was selected as a Round 4 partnership.

Human service agencies and organizations are working together in new and better ways because of Smart Start

Because of Board and committee meetings, there is better communication between human service agencies in our community. Planning for the Smart Start program began in December 1996, with funding to begin in January 1997.

QUARTERLY REPORT: October 1, 1996 - December 31, 1996

PRIVATE SECTOR CASH AND IN-KIND CONTRIBUTIONS

This cumulative report summarizes private sector cash and in-kind donations to the North Carolina Partnership for Children and the 45 local partnerships for the first and second quarters of the 1996-1997 fiscal year.

Smart Start was conceived as a public-private partnership and the participation of the private sector through the donation of capital and human resources is a critical part of North Carolina's initiative for children. Smart Start funding and its collaborative approach leverages resources for communities in many different forms: cash contributions from the private sector, foundation grants, investment in child care centers and related businesses, resources donated to contracting agencies for use in Smart Start programs, funding blended with other resources in ways that add value, and new access to federal funds through cooperation among goverment, nonprofit and private sector entities. Moreover, many local partnerships cite more efficient use of existing funding streams as an important outcome of the Smart Start planning process.

Finally, every local partnership has received significant contributions of North Carolina's most precious resource: the human capital represented in the work of citizens in communities who are committed to improving the quality of life for children and their families across our state.

Cash Gifts: Cash donations and pledges of support from any private sources, including pledges payable through the end of 96/97.

North Carolina Partnership for Children	
-Cash Received	$ 257,602
-Pledges	$1,373,334
Local Partnerships	
-Cash Received	$ 397,184
-Pledges	$ 58,100
Total	**$2,086,220**

Foundation Grants: Grants received from private philanthropic foundations.

North Carolina Partnership for Children	
-Cash Received	$ 42,500
-Pledged	$ 157,500
Local Partnerships	
-Cash Received	$ 108,986
-Pledged	none
Total	**$ 308,986**

Total Cash & Foundation Contributions	**$2,395,206**

Pledged or Received through 12/31/96 In-Kind Contributions: Most in-kind contributions are made to local partnerships for Smart Start programs and activities. These contributions include the gift or loan of equipment, supplies, or other goods and are reported at fair market value. Contributions of services are recognized if they create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills and would need to be purchased if not provided by donations.

Total In-Kind Contributions Received through 12/31/96	**$1,976,941**
Volunteer Services Received through 12/31/96	**50,097 Total Volunteer Hours**

CHILD CARE RESOURCE AND REFERRAL SERVICES

In the design of the Smart Start Initiative, Child Care Resource and Referral (CCR&R) services were determined to be a vital part of the development of a child care and education system. Specific funds were earmarked for these services to be provided in each Smart Start county.

What Is CCR&R? CCR&R is a service that has developed in local communities to link all people and groups concerned about child care — parents, child care providers, local governments, businesses and human service agencies. It does this by:

- *Providing parents with information to help them to make informed child care choices.* This information is more extensive and personalized than a mere list. It includes such things as types of child care available, licensing requirements, components of quality care, how to evaluate care, financial assistance available, other needed community services and written follow-up materials. Specific recommendations about which facility to use are not made by CCR&R staff - the aim is to provide parents with the full range of choices for child care in the community beyond the simple listings of programs in the yellow pages.

- *Ensuring that training is available for the people caring for children, providing technical assistance to help potential child care providers get started in the business, helping existing providers improve the quality of their care, and supporting providers* through newsletters, associations, resource libraries, and helping them become more visible and well-utilized;

- *Developing new or additional child care resources* in the community, if parents need them. As the local economy develops, the supply of high quality child care must be in place to support the economic growth; and

- *Providing people in the community such as human service agencies, local government, potential child care providers, Chambers of Commerce, employers, and realtors with valuable information on child care supply and demand that helps them serve customers better, make better business decisions and more effectively allocate limited resources.* The information supplied includes unregulated (but legal) as well as regulated care. Many CCR&Rs have contracts with businesses to provide enhanced referral services for their employees.

- CCR&Rs do not serve as regulators and have no vested interest in advocating for one type of care over another. This enables them to play a critical role in creating a more cohesive child care system that supports parent choice and builds on the valuable diversity present in our current system.

How Is CCR&R Developing in NC? Nationally and in North Carolina, CCR&Rs have been developing since the early 1970s. These services have usually been created in response to the needs of parents and/or child care professionals. Typically, there are several stages of development of CCR&R services:

- The *planning stage* is where a broad-based community group learns about CCR&R, studies parents' and providers' needs, and then determines what services are most needed there and how CCR&R should be structured and function in that community. Counties in this stage include Anson, Bertie, Brunswick, Dare, Duplin, Hoke, Iredell, Lee, Pamlico, Rowan, Surry, Washington and Wilson;

- The *start-up stage* is where staff are hired, an office is set up, educational materials for parents and providers are developed, a data base of providers is created, policies and procedures are written (how providers are to list with CCR&R, what to do when a parent complains about a facility, how referrals are made, etc.), services are advertised and begin to be provided. Counties in this category include Alleghany, Ashe, Avery, Caldwell, Jones, Lenoir-Greene, Pasquotank, Robeson and Stokes ;

- The *core service stage* is where, at a minimum, basic CCR&R services to parents, providers and the community are being provided. Counties in this stage range from those that have recently begun offering services to those that have been providing services for almost two years and are ready to move into the next stage so there is a great amount of variation among them. Counties in this stage include Catawba, Cleveland, Cumberland, Halifax, Hertford, McDowell, Stanly and Wilkes; and

- *Beyond the core services stage*, CCR&R programs typically work on improving their services and add new services as they are needed and as funds are available to provide them. CCR&R programs may seek accreditation from the NC CCR&R Network to help ensure a certain professionally recognized level of quality in services provided. There are varying levels of accreditation so agencies can continually strive to provide better services.

Of the 35 local Smart Start projects, fourteen had CCR&R services prior to receiving Smart Start funds. Twelve of these fourteen have completed the NC CCR&R Network's Accreditation process. The other two programs are expected to participate in this process during 1996. Accredited programs operate in these Smart Start counties: Buncombe, Burke, Chatham, Columbus, Davidson, Durham, Forsyth, Guilford, Mecklenburg, Moore, New Hanover, Orange, Region A, Rutherford and Wake.

All of the accredited programs listed above receive funding from a variety of sources in addition to Smart Start funds. Sources may include United Way, local and federal government, foundation and corporate grants, corporate contracts for services, membership fees, fund-raisers, etc. Therefore, when CCR&R programs report numbers served for this report, they are reporting *only those customers served with Smart Start funds*. For example, during the past quarter:

Work/Family Resource Center, Forsyth County, provided direct child care information and referrals to a total of **584** families. Smart Start funds supported **146** of these.

Durham Day Care Council, Durham County, provided child care information and referrals to a total of **2,149** families. Smart Start funds supported **968** of these.

Child Care Resources, Inc., Mecklenburg County, provided direct child care information and referrals to a total of **1,183** families. Smart Start funds supported **100** of these.

Establishing CCR&R services is hard work but is critical to the success of a Smart Start effort. It is similar to building a bridge, an infrastructure that can help support the child care system at the local level. Instead of cars, this bridge helps connect and transport the various players in the child care community — parents, child care providers, businesses and a wide variety of agencies. Typically, those counties that have taken the time to solicit community input for the development of CCR&R services and thoroughly planned for this local infrastructure, or bridge, have created stronger programs that will serve the community for many years to come.

Systems Automation

The new on-line reimbursement system for the state's subsidized child care program has been adapted to accommodate federal and state statutory changes. It is expected that the volume of Smart Start children processed through the modified system will increase in SFY 1996-97 as Year 3 partnerships begin services. In addition, the Division has initiated a plan of action regarding a systems automation recommendation proposed in the 1996 Coopers and Lybrand Smart Start Performance Audit. The recommendation targeted the development of a statewide child care resource and referral database which would increase the availability of child care information to the general public. The systems analysis required to build such a system has begun. It is clear that the major source of data for the child care resource & referral database will be developed from the existing Division of Child Development regulatory system database, which is already undergoing a preparatory update. The child care resource & referral database will reside on the Division of Child Development webpage located on the Department of Human Resources website.

T.E.A.C.H.

(Teacher Education And Compensation Helps)

T.E.A.C.H. EARLY CHILDHOOD®

Quarterly Report
October 1–December 31, 1996

Current Status

Recruitment

Recruitment efforts for this reporting period are reflected on the attached recruitment log (Attachment 1). T.E.A.C.H. Early Childhood® Project staff have directly reached 310 child care providers, administrators and agency representatives through these presentations. Project staff and other representatives from Day Care Services Association were engaged in a variety of presentations focusing on the T.E.A.C.H. Early Childhood® Project at the NAEYC Conference in November.

In addition, potential program participants were recruited through a statewide mailing to all licensed child care centers and registered family child care homes (Attachment 2).

Counselors identified child care programs within their service areas that were not participating on the T.E.A.C.H. Early Childhood® Project and offered on-site technical assistance as a recruitment strategy. Other strategies employed during the quarter included enclosing associate degree scholarship applications with each credential bonus award. Credential bonus award recipients will be contacted by respective scholarship counselors six months after the bonus is issued.

Program Participation

Enrollment figures from Fall 1996 indicate the following rates of participation in the various T.E.A.C.H. scholarship programs:

- CDA Scholarship Collaborative: **23**

- North Carolina Early Childhood Credential Scholarship Program: **493**
  - for Center-Based Staff: 452
  - for Family Child Care Providers: 41

- Early Childhood Associate Degree Scholarship Program: **494**
  - for Center-Based Teachers: 370
  - for Center-Based Directors: 63
  - for Family Child Care Providers: 61

- Early Childhood Bachelor's Degree Scholarship Program: **25**
  - for Center-Based Teachers: 16
  - for Center-Based Directors: 9

During Fall quarter these **1035** scholarship recipients representing **82** North Carolina counties cared for **29,186** children in **545** child care programs across the state. We expect that these figures will continue to show slight increases as the Project continues to receive requests for reimbursement from participating scholarship recipients and their sponsoring child care programs.

New Directions

CDA Assessment Scholarship Program

To alleviate some of the existing barriers for CDA assessment, Day Care Services Association will expand the T.E.A.C.H. Early Childhood® Project to include the CDA Assessment Scholarship Program. This will be developed as a core program and will be made available statewide to child care providers employed at licensed child care centers or registered family child care homes. The scholarship program includes options for providers to participate with or without the sponsorship of their child care program.

Application and promotional materials are currently being developed and will be disseminated statewide to licensed child care programs including Head Start programs, registered family child care homes, resource and referral agencies, cooperative extensions and Smart Start partnerships (Attachment 3).

T.E.A.C.H. Early Childhood® Fellows Program

One of the primary objectives of the T.E.A.C.H. Early Childhood® Project is to increase the educational level of the childcare workforce in North Carolina. An even greater goal is to attract individuals to the field who are planning careers in early childhood education. The T.E.A.C.H. Early Childhood® Fellows Program is conceptually similar to the North Carolina Teaching Fellows Program and will offer two-year scholarships to students enrolled in child development/ early childhood degree programs at both public and private universities across the state. Scholarships will be available to juniors and seniors who are wiling to commit to 1-2 years of employment in a North Carolina child care program after graduation.

Inception of this scholarship initiative occurred during this quarter. However, a formal proposal for implementation will be submitted to the Advisory Committee for review in January 1997.

PROGRAM UPDATES

Early Childhood Bachelor's Degree Scholarship Program

Currently, 32 students are active on the Bachelor's Degree Scholarship program. Of those, one is in the pre-B.A. category. Two of the pre-B.A. recipients who had been accepted for the Fall 1996 quarter were dropped from the program. One teacher left her center, and the other teacher decided to decline the scholarship for the present. Four recipients who had previously completed contracts on the Bachelor's Degree Scholarship program decided not to renew their scholarships for a variety of reasons. Three new applicants have been accepted for the Spring 1997 semester and are expected to begin their courses in January, 1997.

Currently, sixteen completed applications are on file; we are waiting for information about applicants' transfer hours. If accepted, those applicants would begin in the Fall of 1997.

The project coordinator has been actively engaged in reviewing all of the recipients' files, updating their database records, and contacting all the recipients, as well as applicants.

Number of students accepted and/or active October–December, 1996:

Center-based teachers:	19+1 (Pre-BA)	20
Center-based directors:		7
Directors/Owners:		5
	Total:	**32**

Number of students attending participating universities/community colleges:

East Carolina	3
North Carolina Central	12
UNC-Charlotte	5
UNC-Greensboro	6
Western Carolina	5
Nash (pre-B.A.)	1
Total	**32**

Early Childhood Model/Mentor Teacher Program

Fifteen applicants were accepted into the fifth cohort of Model/Mentor teachers. Of those, one recipient decided not to participate, so the class has a total of 14 participants. Class began November 5, 1996 and is expected to run through February, 1997. The instructor reports that this cohort is a good group, and they are all very excited. Comments from the recipients also indicate that the class is going quite well and is meeting their expectations.

A gathering of past cohorts of Model/Mentor teachers is still in the planning stages. The group will meet in conjunction with a class meeting of the 1996-1997 cohort. The meeting will be early in 1997. The Project Coordinator will be working with the instructor to plan this event.

The Project Coordinator has contacted each member of the fourth cohort of Model/Mentor teachers in order to find out which ones have had student teachers. Students have been placed with five of these mentors, and the mentors' first bonus has been requested. A letter also was sent to all of the participating centers to remind them to give their Model/Mentor teachers their first bonus. Additionally, a letter was sent to surrounding community colleges to remind them of the availability of the mentor teachers as placement sites.

T.E.A.C.H. Early Childhood® Corps-AmeriCorps

The T.E.A.C.H. Early Childhood® Corps is an AmeriCorps program with volunteers, or Members, placed in child care settings all across the state of North Carolina. These settings include child care centers and Head Start programs which have a significant number of teachers receiving a T.E.A.C.H. Early Childhood Project Scholarship. Nineteen full-time Corps Members support these teachers and programs by covering the release time required by the scholarship program.

The 1996-97 T.E.A.C.H. Early Childhood Corps has had a very productive and eventful quarter. The Corps Members are acclimating to their sites very well, and have added 2 or 3 community college courses in early education to their busy schedules. Through December 15th 1996, Corps Members had served a collective total of nearly 8700 hours as follows:

- 6,400 hours of on-site direct service,
- 330 hours of class time,
- 305 hours of off-site projects and activities, and
- 1,600 hours of professional in-service training.

Training was provided for the entire Corps on October 24th and December 6th in Chapel Hill. Topics for the trainings included: behavior management, child abuse and neglect, communication skills, and the necessity of considering the whole child. On October 25th, Corps Members gathered with the rest of North Carolina's AmeriCorps Members to be officially sworn in. Corps Members also worked to clean a building in a public housing community in downtown Winston Salem.

CDA Rural Scholarship Collaborative

Currently, 23 providers are active on the CDA Rural Scholarship Collaborative. This number reflects both those who are still working on trainings and on their resource file, as well as participants who are simply waiting on their assessment. Funding for this project has been shared between the NC Rural Economic Development Center and the T.E.A.C.H. Early Childhood Project. During this time, 35 participants have been accepted onto the program. In addition to the 23 who are still working on their CDA, six have become CDAs, five have been accepted but have not turned in their contracts and only one has withdrawn from the program. As of November 30, 1996, funding through the NC Rural Economic Development Center has been expended. The CDA Rural Scholarship Collaborative now falls completely under the T.E.A.C.H. Early Childhood Project.

Recruitment efforts continue for participants for the CDA Rural Scholarship Collaborative. A large mailing will go out to all child care centers and homes in the project area who are not currently sponsoring a recipient. This mailing should go out in late January or early February. Additionally, Day Care Services Association is holding its annual Day for Day Care Training on February 1, 1997. Many of the CDA Rural Scholarship Collaborative participants who still need training hours will be attending this training event.

CONCLUSION

Since its inception in **1993**, a total of **4,070** T.E.A.C.H. Early Childhood® Project recipients have been funded in **1,350** different programs across North Carolina. At least **62,314** children across North Carolina have been cared for in programs where a staff member is improving her/his knowledge base and skills by studying early childhood education, receiving increased compensation, and has made a commitment to remain in the early childhood profession. The actual number of children reached by the T.E.A.C.H. Early Childhood® Project is believed to be significantly higher—because of the effect of T.E.A.C.H. on reduction of teacher turnover, participating teachers are more likely to remain in their jobs longer, interacting with multiple cohorts of children, thereby multiplying the positive impact of the T.E.A.C.H. Project on North Carolina's children and families.

T.E.A.C.H. Early Childhood® Project

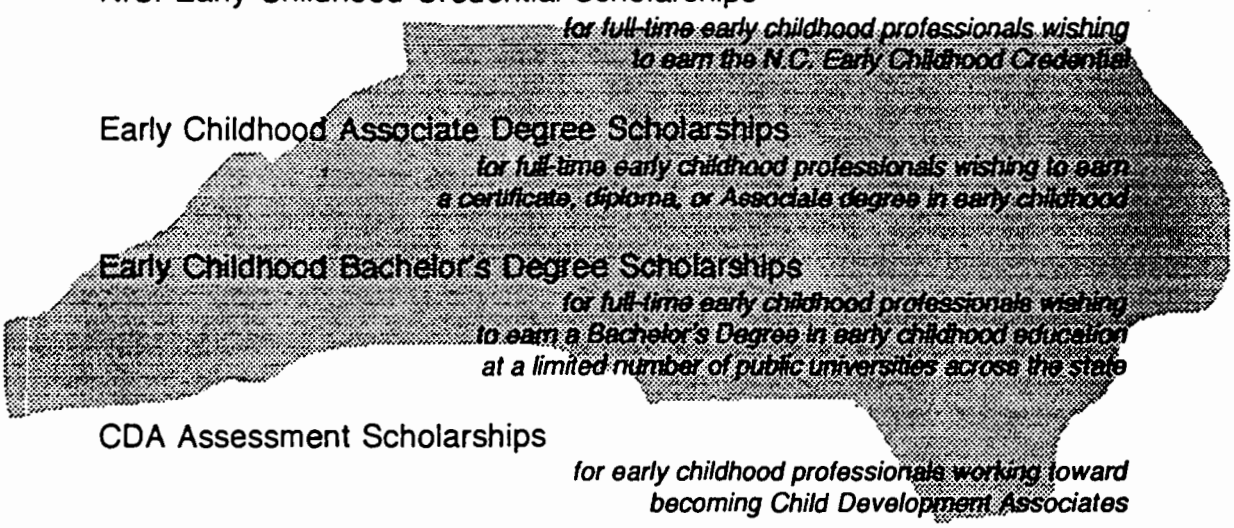
Outreach Presentations

October 1 - December 31, 1996

Date	Location	Agency	Contact Person	Audience	Counties	Title	# Attended
10/14/96	Davidson	Davidson CC	Sonya David	FCCH Providers	Davidson	TEACH	14
10/17/96	Chapel Hill	Resource/Referral Conference	Cynthia Turner	Administrators	Statewide	TEACH	20
11/14/96	Maryland	Maryland Committee for Children	Steve Rhode	Administrators, Providers	National	TEACH	150
11/19/96	Raleigh	DHR/DCD	Kathy Williams	NC-Credential Instructors	Statewide	TEACH	25
11/23-24/96	Dallas	NAEYC		Administrators	National	TEACH	20
12/10-11/96	Wilmington	Cape Fear CC	Lynda Huneycutt	NC-CCC 1&2	New Hanover	TEACH	81

Attachment 1

T.E.A.C.H. Early Childhood® Project Scholarship Opportunities Available



We'd like to put YOU on the map!

Since January 1993, the T.E.A.C.H. Early Childhood® Project has provided scholarships for over 3,400 early childhood teachers, directors, and family child care providers. These early childhood professionals receive a scholarship for tuition and books, a travel stipend, and a salary raise or bonus. Some scholarships also provide paid release time from work.

If you would like to be a part of this exciting new wave of qualified, educated, and motivated early childhood professionals, please complete the enclosed form and mail to:

T.E.A.C.H. Early Childhood® Project
Day Care Services Association
P.O. Box 231
Chapel Hill, NC 27514

T.E.A.C.H. Early Childhood® Project

Child Development Associate (CDA) Assessment Scholarship

What is a CDA Credential?
The CDA Credential is a nationally recognized credential awarded to individuals who have demonstrated competency through both experience and education in working with young children ages 0-5. The CDA Credential is awarded to infant/toddler child care teachers, preschool teachers or family child care providers.

Who awards the CDA Credential?
The Council for Early Childhood Professional Recognition (The Council) administers the CDA credentialing program and awards the CDA Credential.

Who administers the CDA Credential Assessment Scholarship Program?
The CDA Credential Assessment Scholarship Program is made available through the T.E.A.C.H. Early Childhood® Project and is administered by Day Care Services Association.

Does the CDA Credential have to be renewed?
Yes. The CDA Credential is valid for 3 years from the date of award. At the end of that period, a CDA may apply for renewal. When renewal is granted, the Credential becomes valid for an additional 5 years.

What are the eligibility requirements?
Candidates for the CDA must meet the following four criteria: be 18 years or older, have a high school diploma or equivalent, have 480 hours of experience working with young children within the past five years and have 120 hours of formal child care education and training within the past five years in the CDA training content areas.

Who is eligible for a CDA Credential Assessment Scholarship?
Individuals earning less than $12 per hour while working in a licensed child care center or a registered family child care home for at least 20 hours per week are encouraged to apply.

How do I earn the CDA Credential?
In order to receive the CDA Credential, an individual must meet the eligibility requirements and complete or facilitate the completion of the following: a professional resource file, parent opinion questionnaires, a formal observation, an oral interview and a written assessment.

What will the CDA Credential Assessment Scholarship cover?
The CDA Assessment Scholarship will pay 85% of the assessment fee.

What kind of commitment is required of recipients of the CDA Assessment Scholarship?
Scholarship recipients are asked to remain with their sponsoring programs or in the field for an additional 3-6 months after the CDA Credential has been received.

Will I be compensated for earning the CDA Credential?
Yes. Day Care Sevices Association will award a $200 bonus to individuals who attain the CDA Credential.

What kind of commitment is required of the center?
The center may be required to pay a portion of the assessment fee. Centers allow teachers to be formally observed in the classroom by a representative from the Council.

What kind of support does Day Care Services Association provide?
DCSA provides counseling and administrative support. DCSA reviews assessment application materials and submits them to the Council.

For more information, contact
Day Care Services Association
PO Box 231
Chapel Hill, NC 27514

(919) 967-3272

T.E.A.C.H. Early Childhood® Project
CDA Assessment
Scholarship Application

Date: _____

1. **Name:** _____
2. **Social Security Number:** _____
3. **Address:** _____
   City: _____ **Zip:** _____ **County:** _____
4. **Phone:** (H) (area code) _____ (W) (area code) _____

5. **Employment Status**
   a. What is your job title? _____
   b. How many hours do you work per week? _____
   c. Date of employment in current work place? _____ / _____ / _____
   d. What age groups do you teach? _____
   e. Number of children in your classroom or child care home? _____
   f. What is your current hourly salary? _____

6. **Family Structure**
   a. How many people live in your household? _____
   b. List everyone in your house and their relationship to you.

   Name_____ Relationship_____
   Name_____ Relationship_____
   Name_____ Relationship_____
   Name_____ Relationship_____
   Name_____ Relationship_____

7. **Race:** ☐ African-American ☐ Euro-American ☐ Other_____

8. **Name of Program:** _____
   (Enter the name of the program in which you are employed. For child child care homes, enter the name of the operator.)
9. **License/Registration Number :** _____
10. **Program Address:** _____
11. **Program Type** (Please check one): _____ Profit Center _____ Nonprofit Center
    _____ Head Start _____ Religious Sponsored Center
    _____ Family Child Care Home _____ Public Center

For Center Based Programs:

PLEASE CHOOSE ONE OPTION ONLY

_____ OPTION I

Participant agrees to:

- Pay 15% of the assessment fee ($48.75)
- Submit assessment application to DCSA
- Complete the assessment
- Commit to remaining in child care for 3 months after receiving the CDA Credential
- Send assessment package to DCSA
- Notify DCSA upon attainment of CDA Credential

Center agrees to:

- Allow observation of teacher in center by a representative from the Council for Early Childhood Professional Recognition

_____ OPTION II

Participant agrees to:

- Complete the assessment
- Submit assessment application to DCSA
- Commit to employment at sponsoring center for 6 months after receiving the CDA Credential
- Notify DCSA upon attainment of CDA Credential

Center agrees to:

- Pay 15% of the assessment fee ($48.75)
- Allow observation of teacher in center by a representative from the Council for Early Childhood Professional Recognition

_____ OPTION III

Participant agrees to:

- Pay 7.5% of the assessment fee ($24.38)
- Submit assessment application to DCSA
- Complete the assessment
- Commit to employment at sponsoring center for 3 months after receiving the CDA Credential
- Notify DCSA upon attainment of CDA Credential

Center agrees to:

- Pay 7.5% of the assessment fee ($24.38)
- Allow observation of teacher in center by a representative from the Council for Early Childhood Professional Recognition

_____ _____

(Participant's Signature) (Date)

_____ _____

(Center Director's Signature) (Date)

For Family Child Care Homes:

Participant agrees to:

- Pay 15% and of the assessment fee ($48.75)
- Submit assessment application to DCSA
- Complete the assessment
- Commit to keeping registered Family Child Care Home in operation for 6 months after receiving the CDA Credential
- Send assessment package to DCSA
- Notify DCSA upon attainment of CDA Credential

_____ _____

(Participant's Signature) (Date)

Statement of Income

ructions: List sources of income available to you. For r source of income, you must provide a copy of verification of that income. A statement from your employer indicating your hours and rate of pay (on center letterhead) or a copy of your most recent pay stub will verify earnings from a job. A statement from your ex-spouse or a court award letter can be used to verify child support. **Family child care home providers must complete the *Statement of Income* on the right.**

APPLICANT'S INCOME

A. Earnings Job #1 _____ per _____

B. Employer #1 _____

C. Hours/Week _____

D. Earnings Job #2 _____ per _____

E. Employer #2 _____

F. Hours/Week _____

G. Are you a student? ☐ yes ☐ no

If yes, answer H - J. If no, go to K.

Scholarship/Grant #1 $ _____

I. Scholarship/Grant #2 $ _____

J. Student Loan $ _____

K. Child support/Alimony $ _____

L. AFDC/SSI $ _____

M. YOUR TOTAL INCOME $ _____

N. TOTAL FAMILY INCOME (your spouse included) $ _____

ease attach a copy of your most recent pay stub here.

Family Child Care Providers Statement of Income

Instructions: This sheet is to help you determine your monthly earnings from your family child care home. Base your answers on last month's receipts. Special instructions are in italics.

1. What is the total amount paid to you by parents each week? _____
   (Multiply for weeks/month) *X 4.33*
2. **Total Monthly Parent Fees** _____
3. How much was your Child & Adult Care Food Prog. Reimbursement? _____
4. How much was the DSS or Child Care Resources subsidy for children in your care? _____
5. **Total Monthly Revenue**
   Add lines 2, 3, and 4 _____

How much did you spend for children in your child care home last month on:

6. Food _____
7. Toys _____
8. Assistant/Substitute Care _____
9. Crafts/Supplies _____
10. Transportation ($0.25/mile) _____
11. Training Fees _____
12. Gifts for Children/Families _____
13. Other (specify) _____
14. **Total Monthly Expenses**
    Add lines 6, 7, 8, 9, 10, 11, 12, 13 _____

_____ - _____ = _____

Revenue Line 5	Expenses Line 14	Monthly Earnings (line A on left)

Remember, you must include verification of your income such as copies of receipts from each of the children you take care of or a statement detailing your weekly rate and number of children you care for.

Application Due to DCSA :	Application Date :	Verification visits to occur:
Nov 1	Dec 1	1st Quarter: Jan, Feb, March
Feb 1	Mar 1	2nd Quarter: Apr, May, Jun
May 1	June 1	3rd Quarter: Jul, Aug, Sep
Aug 1	Sep 1	4th Quarter: Oct, Nov, Dec

I intend to apply for assessment for the Credential by (date): _____

_____ Center-based infant/toddler program (children up to 36 months)

_____ Center-based preschool program (children 3-5 years)

_____ Family day care program (small or large child day care home)

_____ Home visitor program

_____ Check here if you will apply for the Bilingual Specialization

THIS APPLICATION MUST BE ACCOMPANIED BY COMPLETED CDA APPLICATION

Return this application with verification of income to:

T.E.A.C.H. Early Childhood® Project
Day Care Services Association
P.O. Box 231
Chapel Hill, NC 27514

STATE-LEVEL ADMINISTRATIVE AND SUPPORT SERVICES

North Carolina Partnership for Children

Created by 1993 legislation, the mission of the North Carolina Partnership for Children, a private nonprofit organization, is to take action on behalf of the people of North Carolina to support children under six and their families through statewide and local community partnerships. The North Carolina Partnership provides administrative support and offers technical assistance to local partnerships in the development of Smart Start strategic plans. During the second quarter, the North Carolina Partnership for Children:

- A revised budget and new staffing plan were approved by the Board of Directors. These were necessitated by the significant increase in responsibilities undertaken by the state partnership. These responsibilities included fiscal management and contracts management for 23 of the local partnerships that were selected during the third and fourth years of the program; the development of a statewide regionalization plan; orientation, training and technical assistance to the newly-developing local partnerships; resource development/fundraising; communications; and organizational development.

- A regionalization work group, comprised of local partnership executive directors, and members of the Special Committee on Regionalization of the North Carolina Partnership Board, was formed to develop a Regionalization Plan for Smart Start. The Special Committee on Regionalization was chaired by Rep. Carolyn Russell and was comprised of ten North Carolina Partnership For Children Board members, including four state legislators, four local partnership directors and the North Carolina Partnership for Children Executive Director. The North Carolina Partnership for Children Board Chair also convened a meeting, attended by 37 local partnership board chairs, to discuss strategies for regionalization. During the quarter, the North Carolina Partnership for Children Executive Director attended over 20 meetings across the state to discuss regionalization with the boards and staff of local Smart Start partnerships and representatives from unfunded counties.

- These efforts resulted in a plan for regionalization to be submitted to the General Assembly and the North Carolina Partnership for Children Board of Directors.

- The North Carolina Partnership for Children began plans for relocating the state office, to accommodate the growth in staff and operations. The former United Way office at 1100 Wake Forest Road was selected as the new site.

- An Administrative Action Plan was submitted to the North Carolina Partnership for Children by each of the 47 local Smart Start Partnerships. The plan will ensure that policies and procedures will be followed by the local partnerships to ensure greater accountability, fiscal integrity and adherence to established guidelines for local partnership administration.

- A meeting was held with state transportation administrators to plan for a transportation summit to identify best practices and develop strategies in response to the need for public transportation in the rural areas in which Smart Start offers services. This summit will address ongoing concerns about access to services in local communities.

Communications

- Distributed materials to local partnerships including brochures, posters, and counter cards paid for by a private donation by SeaLand, Inc.

- A communications work group was formed with member s of the Board's Communications Committee and local partnership representatives to outline public information efforts throughout the state. The committee focused on plans for spring events.

- The North Carolina Partnership for Children was asked to serve as the statewide contact for the National Early Childhood Public Engagement Campaign, which begins inApril.

- The NCPC participated in resource fairs and event, distributed more than 300 information packets and had more than 1,500 "visits" to its web site in its first two months.

- Board Chairman Ashley Thrift visited more than 25 local partnerships to see Smart Start at work and its accomplishments.

DIVISION OF CHILD DEVELOPMENT

The Division of Child Development in the Department of Human Resources continues to work closely with the North Carolina Partnership for Children in an effort to assist with transition activities and to ensure uninterrupted funding for existing local partnership projects. Contracts were in place and funds were available effective July 1, 1996. During the second quarter of the 1996-97 state fiscal year, the Division also accomplished the following.

Managed and monitored contracts for Years 1 & 2 local partnerships which included developing new contracts, amending current ones, assisting with budget revisions and processing reimbursements.

Amended seven existing administrative contracts for Year 3 local partnerships to add service funds for activities approved by NCPC.

Developed planning contracts for nine Year 4 local partnerships.

Provided administrative support to state-wide Smart Start projects and programs, including T.E.A.C.H., the Smart Start evaluation and North Carolina Partnership for Children.

Provided to the Office of the State Auditor information regarding contracts from the 1995-96 state fiscal year to assist in the auditing process. Collaborated with the fiscal director at the North Carolina Partnership for Children to design technical assistance to local partnerships based on individual findings and patterns of findings.

Met with auditors from the Office of the State Auditor to provide information on the history of Smart Start from a programmatic standpoint.

Provided training with NCPC to all Year 3 & 4 local partnerships on contracting and financial reporting.

Provided family resource center staff with information to enhance and strengthen program efforts in family involvement, grant writing, building collaboration and staff development.

Provided information on Smart Start to individuals and groups in North Carolina and throughout the country.

Assisted NCPC by amending its contract to add additional funding provided by legislation and approved by the NCPC Board of Directors.

Provided technical assistance to Frank Porter Graham on the amendment of its contract to expand the scope of the evaluation and add new funding.

Smart Start Evaluation Progress Report

October 1, 1996 — December 31, 1996

During the second quarter of the 1996-97 year, the Smart Start evaluation team from the Frank Porter Graham Child Development Center (FPG) at the University of North Carolina at Chapel Hill has focused our evaluation efforts on collecting data on child care quality, exploring the use of unique identifiers in Smart Start partnerships, and developing studies of specific Smart Start programs. Each of these major activities will be discussed in this report.

Data Collection

We have continued collecting data in child care centers across the pioneer partnerships to determine the effect of Smart Start on the quality of child care. Other studies, like the *Cost, Quality, and Outcomes* study, have shown that children in higher quality child care centers are better prepared for school. To date, 193 centers have agreed to participate in the evaluation. We plan to finish collecting data by the end of February. We continue to enter and verify data for accuracy as we receive it from the field data collectors. Once the data are gathered, entered, and verified, we will begin analyzing the information to describe the current quality of child care, compare this year's data to the 1994-95 data, and determine the relationship between quality child care and participation in Smart Start quality improvement activities.

Feasibility Study of Unique Identifier Systems

In response to the need for determining an accurate number of children who have participated in Smart Start and the need for determining the impact of service intensity and duration on outcomes (e.g., determining whether children who participate in more intensive Smart Start services have better outcomes), the Smart Start evaluation team is conducting a feasibility study of unique identifier systems. During this quarter, we identified 4 partnerships who have asked Smart Start funded programs to collect demographic data on participants, using a unique identifier such as social security number. Members of the evaluation team interviewed key persons in each partnership to find out more about their systems. Everyone interviewed believed that *all* Smart Start programs could implement a procedure for gathering unique identification information from participants. However, *none* of the 4 partnerships currently obtain unique identifier information from all programs. Partnerships identified a lack of staff as a major barrier to implementing a unique identifier system. None of the 4 partnerships have enough staff right now to adequately handle the responsibility of gathering unique identifier information from all participants. As a pilot study, we have asked all 4 partnerships—and all have agreed—to gather basic information, including a unique identifier, for all children they serve. We will provide financial and technical support as the 4 partnerships take this next step and, with them, will evaluate the progress. We will share our findings from this next step with Smart Start leaders during the upcoming months.

Additional Evaluation Studies

This section briefly describes some of the other evaluation studies we are conducting this year.

Playground Safety Study. Many injuries occur on child care center playgrounds, partially because of unsafe playground equipment. To address this problem, several Smart Start partnerships have funded playground improvement grants for child care centers. We will gather playground safety information in one Smart Start partnership that focused on improving child care center playgrounds and in a neighboring non-Smart Start county in which there were no organized efforts to improve the safety of center playgrounds. By comparing playground information gathered in each county, we will determine the impact of playground improvements on the safety of playgrounds.

Child Care Quality Comparison Study. We will gather information on the quality and types of services provided by licensed child care centers in a sample of third- and fourth-round partnerships. These data will allow us to answer questions like, "What is the quality of child care in non-Smart Start counties compared to pioneer Smart Start counties?" We will also use this data as a baseline to determine the impact of Smart Start on the quality of child care in these third- and fourth-round Smart Start counties.

Public-Private Partnerships. We will conduct interviews and case studies with selected partnerships to understand how local partnerships are organizing public-private efforts and to be able to share lessons across all partnerships.

Allocations and Expenditures

Summary of Smart Start SFY 96-97 as of December 30, 1996

Year 1 Counties	1996/97 Allocation	Payment to Contractors	Subsidy Allocation	Payment for Subsidy	Subsid. Care Spending Coeff.	Payment for DSS Admin.	Total Expenditures
Burke	$2,172,646	$818,980	$524,253	$154,521	88%	$19,545	$993,046
Caldwell	$2,176,371	$343,190	$598,000	$289,321	145%	$18,662	$651,173
Cleveland	$2,185,053	$494,154	$693,349	$339,668	147%	$45,427	$879,249
*Cumberland	$3,884,544	$551,527	$1,148,477	$567,561	148%	$57,751	$1,176,839
Davidson	$2,391,735	$794,900	$534,537	$101,597	57%	$17,394	$913,891
Halifax	$1,915,340	$451,473	$665,000	$356,842	161%	$31,778	$840,093
Hertford	$716,243	$232,689	$150,000	$24,551	49%	$14,959	$272,199
Jones	$408,207	$171,139	$32,000	$13,598	127%	$9,444	$194,181
*Mecklenburg	$5,073,948	$459,798	$3,440,033	$1,541,914	134%	$0	$2,001,712
Orange	$2,217,146	$1,064,758	$90,000	$40,990	137%	$36,582	$1,142,330
Region A	$2,237,036	$596,021	$1,239,334	$573,108	139%	$0	$1,169,129
Stanly	$1,783,994	$320,318	$561,840	$277,537	148%	$36,326	$634,181
Total	$27,162,263	$6,298,947	$9,676,823	$4,281,208	88%	$287,868	$10,868,023

*Cumberland and Mecklenburg Counties' Allocation was increased by $500,000 from additional Smart Start funding granted by the Gereral Assembly.

Year 2 Counties	1996/97 Allocation	Payment to Contractors	Subsidy Allocation	Payment for Subsidy	Subsid. Care Spending Coeff.	Payment for DSS Admin.	Total Expenditures
Ashe	$621,884	$166,550	$185,832	$84,003	136%	$0	$250,553
Avery	$503,611	$198,862	$105,000	$18,828	54%	$11,583	$229,273
Catawba	$3,190,094	$464,586	$2,123,490	$994,488	140%	$75,629	$1,534,703
Chatham	$1,240,351	$427,810	$428,000	$233,813	164%	$0	$661,623
Duplin	$1,244,776	$385,525	$327,233	$194,064	178%	$52,670	$632,259
Durham	$5,186,227	$1,886,694	$746,271	$661,528	266%	$20,730	$2,568,952
Forsyth	$4,737,494	$1,843,674	$500,000	$358,073	215%	$16,080	$2,217,827
Lenior-Greene	$2,156,792	$681,587	$484,450	$206,620	128%	$32,698	$920,905
Nash-Edgecombe	$3,521,785	$925,008	$125,000	$47,507	114%	$52,474	$1,024,989
Pasquotank	$1,169,349	$419,350	$375,794	$126,873	101%	$0	$546,223
Person	$1,000,688	$411,422	$92,650	$41,234	134%	$13,723	$466,379
Wilkes	$1,495,550	$438,679	$523,145	$242,929	139%	$22,426	$704,034
Total	$26,068,601	$8,249,747	$6,016,865	$3,209,960	107%	$298,013	$11,757,720

VISITOR REGISTRATION SHEET

Committee: HUMAN RESOURCES (APPROPRIATIONS) Date: APRIL 8, 1997

VISITORS: Please sign below and return to Committee Clerk.

NAME	FIRM OR STATE AGENCY AND ADDRESS
Lou B. Wilson	N.C.A.H.T.C.F.
Marion Smith	Eastern Seals
Polly Williams	NC Equity
Steve Keens	NC Med Soc.
Janie Reiden	NC Child Advocacy Institute
Barbara B. Riggs	Chapel Hill N.C.
Tom Garrett	NCPTC
Dave Boston	DHR
Jim Edgerton	DHR
Peggy Sheep	DHR
Kathy Jeanes	DHR
Jim Edgerton	DHR
Dave Boston	DHR
Ed Cashion	NCC. Partnership for Children
Janell Nesbit	Robeson County Partnership for Children
John Bowdish	Zeb Alley PA
Dean Kirchen	The Hot Line
Director Sandra Wilson	NC Rural Center
Sue Fleming Hanson	CCR+R of W.
Donald Battain	CCR+R

JOINT APPROPRIATIONS SUBCOMMITTEE ON HUMAN RESOURCES

Minutes
April 8, 1997
5:00 p.m.

Representative Gardner chaired the meeting of the Joint Appropriations Subcommittee on Human Resources at 5:00 p.m. on the afternoon of April 8, 1997. The meeting was held in Room 424. Five Senators were present and the following House members attended:

Representative Nye	Representative Watson
Representative Aldridge	Representative Clary
Representative Cansler	Representative Alexander

Karen Ponder, Program Director of the North Carolina Partnerships for Children, covered responses to questions raised by the members during the morning meeting. She handed out 3 information sheets, "Smart Start Outcomes that Indicate Success", "Smart Start Core Services" and "Summary of Direct Services Awards, FY 1993-4 - FY 1996-7".

Secretary Bruton of the Department of Human Resources spoke to the effects of federal welfare reform which creates a whole new system.

Peter Leousis, Assistant Secretary for the Department of Human Resources, continued with the presentation of the Work First Program. He spoke to the new program replacing AFDC, the Temporary Assistance For Needy Families Block Grant. (See Attachments) Representative Gardner asked that he delineate where changes have been made due to this new emphasis.

Senator Phillips questioned whether the local Boards of County Commissioners understand their responsibilities and liabilities pursuant to these changes. Patrice Roessler, legislative liaison for the Association of County Commissions, told the members of the association's efforts to get the message across to the County Commissioners.

Representative Gardner emphasized how important it is to stress the goal of reducing out-of-wedlock births.

The meeting was adjourned at 6:15 p.m. There will be a joint meeting on Wednesday, April 9, 1997 to complete the presentation of Work First and TANF.

Respectfully submitted,

Barbara R. Hocutt
Clerk

Approved: Charlotte Gardner
Representative Charlotte Gardner, CO-Chairman

CAG:brh
Attachments

April 8, 1997
Attachment 1

SMART START CORE SERVICES

	STAGE 1	STAGE 2	STAGE 3
HEALTH	Health assessments: vision, hearing, dental Health Check coordination Training (First Aid, CPR, playground safety) Health support for providers	Health/developmental screenings Immunization administration Recruitment for Medicaid Insurance for children	Health nurse in child care programs on rotating basis
FAMILY SUPPORT	Outreach- Family Ties Resources for parents: books, videos, car seats, learning materials; inclusion materials	Family Resource Centers: coordination/expansion Parent Education: development Programs for special populations Part-day programs (play groups, pre-schools)	Family Resource Centers: expansion Parent education: expansion
CHILD CARE ACCESSIBILITY	Child Care Resource & Referral: planning for unmet needs Assessment of resources and services for children with special needs Transportation assessment	Child Care Resource & Referral: core services/startup Creation of additional inclusive child care spaces Access to transportation	Child Care Resource & Referral: core services Coordinated transportation
CHILD CARE AFFORDABILITY	Minimum of 30% allocation for subsidized care: child care centers, family child care homes, Head Start, public schools	Minimum of 30% allocation for subsidized care: child care centers, family child care homes, Head Start, public pre-schools	Minimum of 30% allocation for subsidized care: child care centers, family child care homes, Head Start, public schools

SMART START CORE SERVICES

CHILD CARE QUALITY	Incentives for higher quality (AA, NAEYC, AA+ Program) CCR&R: planning Child care workforce assessment TA for child care programs: classroom assessments Resource library for child care providers	Incentives for higher quality (AA, NAEYC, AA+ Program) CCR&R: core services/startup TA for child care programs: accreditation Program improvement strategies (WAGE$) Education for child care teachers: Child Care Credentials;degree programs; Infant-Toddler Specialist Credential (T.E.A.C.H.) Appropriate early childhood programming	Professional development plan for early childhood work force CCR&R: core services

DISCRETIONARY	Year 1 5%	Year 2 10%	Year 3 15%

NOTE:
These core services were developed by the North Carolina Partnership for Children, based on implementation of Smart Start during its first four years. While Smart Start funds may be used to plan or implement these services, Smart Start funds should only be considered as part of the the funds already available in a local community. Joint planning and blending of funding sources will allow counties to integrate efforts and maximize services.

April 8, 1997
P.M.

SMART START
OUTCOMES THAT INDICATE SUCCESS

Overall goal of Smart Start: Children will arrive at school healthy and prepared for success

- The success of this goal and the overall Smart Start initiative is being evaluated by Frank Porter Graham/UNC
- Baseline data on health and readiness was collected in '95 and a follow-up comparative data collection will take place in the fall of '97
- An initial report on improvements to day care quality is due from FPG at the end of April 1997

Research tells us that high quality child care does make a difference, resulting in improved outcomes for children, including cognitive and language improvements. Comprehensive health services result in the best possible health outcomes for children and reduce the excessive costs of more expensive emergency care.

Smart Start is assuring successful long-term outcomes in the following ways:

Improving the quality of child care programs

- Teachers are improving their knowledge and education through T.E.A.C.H. scholarships
- Teachers are remaining in classrooms for a longer period of time because of compensation projects such as WAGE$, resulting in more consistent care-giving for children
- Child care programs are upgrading the quality of child care environments through assessments, better learning materials, and training programs

Making child care available for every child who needs it

- Families who can't afford to pay the full cost of care are now receiving subsidies (most recent data indicate that more than 42% of all Smart Start money is spent for child care subsidies)

Making child care and services accessible for every child who needs them

- The number of child care spaces is increasing
- The number of inclusive spaces for children with special needs is increasing
- Transportation services are being coordinated and are therefore available for children who need them

Delivering family support services

- Families are finding good child care through child care and referral services
- Parents are learning to read and are reading to their children because of literacy programs

- Parents are improving their parenting skills through parent education classes
- Families are better able to access existing community resources through family resource centers that serve as neighborhood hubs for programs and services and links to services outside neighborhoods

Comprehensive health care and education

- Health services are being integrated with other services in communities to assure the best possible health outcomes for children
- Children are being screened at an earlier age for health and developmental problems such as vision, hearing, dental, and appropriate development and are receiving appropriate immunizations
- Children are receiving earlier treatment for health and developmental problems

Additional Overall Impact of Smart Start

- An infrastructure of services for children and families is being created
- Services to children and families are being coordinated and gaps in services and resources are now being addressed
- Fragmented services are being reduced
- Local community agencies and organizations are becoming more accountable to the community for the services they provide because of Smart Start planning
- Emergency situations for children are being handled more quickly and in a more coordinated way

April 8, 1997
P. M.

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April 8, 1997

WORK FIRST STATE PLAN: 1997-99

Introduction 1

Public Involvement 2

Program Administration 3

Needy Families 4

Temporary Assistance 4

Eligibility and Benefits 5

Sanctions 7

Application Process 7

Emergency Assistance 7

Appeals Process 7

Support Services 8

- Child Care 8
- Child Support 8
- Housing 9
- Health Care & Substance Abuse 9
- Transportation 9

Fraud and Abuse 10

Automation 10

Program Evaluation 11

Waivers 11

Organizational Development 11

Community Partnerships 12

Out-of-Wedlock births 13

Indian Tribes 13

Confidentiality 13

Domestic Violence 13

Use Of Funds 14

Certifications Required Of the Governor 15

Appendix A - *Local Block Grant Plans* 16

- Background (outcome & performance measures) 16
- Maintenance Of Effort 17

Appendix B - *Personal Responsibility & Work Requirements* 19

- Personal Responsibility Contracts 19
- Sanctions 19
- Work Requirements 20
- Special Eligibility Condition For Two-Parent Families 23

Appendix C - *Eligibility* 24

- Eligibility Rules 24
- Work First Family Assistance Payment Calculation 26
- Eligibility Reviews 27
- Diversion Assistance 27

April 8, 1997 P.M.

Orange County Partnership for Young Children

SUMMARY OF DIRECT SERVICES AWARDS FY 1993/94 - FY 1996/97

The attached table and graph summarize direct services awards made by the Partnership from FY 1994 through this fiscal year which ends June 30, 1997. These allocations include only Smart Start funds, and the total amount available was set by the Department of Human Resources and the N.C. General Assembly. The Partnership determined the Vision and goal areas in its first year. Each year, specific grants are made to local agencies who submit grant applications for these funds.

Direct Services Award Patterns

- In the first year, 1993-94 funds were available for six months only, so this is half of a full year's allocation.
- In 1995/96, the allocation formula was changed by DHR which resulted in a $200,000 reduction in direct services allocation for Orange County.
- During the first two years, the Partnership provided more funding for innovative, capacity building, or planning grants.
- Although the Partnership has never created a capped amount or percentage for any particular goal area, spending patterns are remarkably consistent over time. This pattern is particularly true for Child Health, Family Support, and Child Safety where the percentage total never varies by more than 4% from one year to another.
- The greatest growth has occurred in the Economic Security Goal area. Child Care scholarships and subsidy increased significantly from FY 1994/95 to FY 1995/96 as the need increased and the child care community became more able to serve low-income children and their families.
- The goal of Upgrading the Service Delivery System has received the least support from the Partnership, and has tended to focus on technology enhancements.

Early Childhood Education

- In 1993/94, the Partnership committed over $300,000 to child care facility improvements and has only provided limited support for this activity since.
- Over the years, the Partnership has funded one-time only special child care initiatives such as reading libraries and infant care expansion.
- Several activities have been consistently funded since the first year: upgrading the quality of child care, some child care facility improvements, salary and education incentives for child care teachers, and a focus on infant care.

Child Health

- Spending has consistently remained less than 10% of the total allocation. Several activities have been consistently funded since the first year: Child Services Coordination services for children who are at risk for or who have developmental delays or disabilities, an outreach nurse to child care facilities, healthy and safety consultations to child care facilities, dental and vision screening, and immunizations.

Family Education and Support

- Spending in this goals area has ranged between 10-14% and has steadily focused on increasing parents access to services and building system capacity. Several activities have been consistently funded since the first year: expanded child care referral services, support for homeless families, and the launching of the Parent Education Initiative. The Partnership also joined with Orange County Government to create a comprehensive computerized information and referral service for families and human service agencies. The special needs of non-English speaking families has been the focus of several activities.

Mental Health and Early Intervention

- The Partnership has consistently provided about 5% in total direct services allocation to this goal area. Programmatically, funds have been dedicated to expanding existing resources to serve more children in programs dedicated to children with special needs. In the fall of 1996, the Partnership launched a special study to study the community needs and resources in this area.

Economic Support

- This area has been a primary focus for the Partnership, with the emphasis on increasing the affordability of child care for low-income working families. Each year, the Partnership has increased its funding for child care scholarships, primarily through Day Care Services Association which was less constrained by federal and state child care guidelines.

Safety from Violence

- The consistent focus for the Partnership in this goal area has been the development of family resource centers in high-risk, poor neighborhoods and communities throughout the County. In the first year, the Partnership convened a community work group on what could be done to increase the safety of young children both in their homes and neighborhoods. However, no proposals have been received in this area.

Upgrade Service Delivery System

- Because the Partnership has emphasized collaboration among community agencies in all of its funding decisions, the service delivery system has been improved in many ways. Projects included in this goal area have tended to focus on the use of technology as a strategy to improve information sharing among agencies. No proposals have been received in this area since 1994/95.

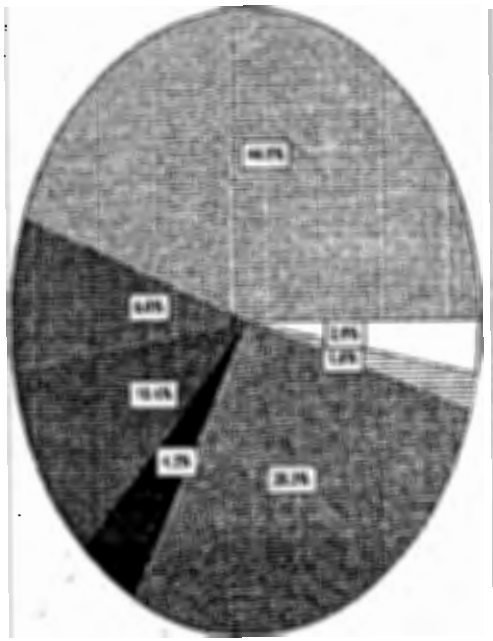
Community Education

- The goal of Community Education has always been the responsibility of the Partnership administration, and no community agency has ever applied in this area. Consequently, little activity has occurred in this goal area. The Partnership has not dedicated service dollars to this goal area since FY 1994/95.

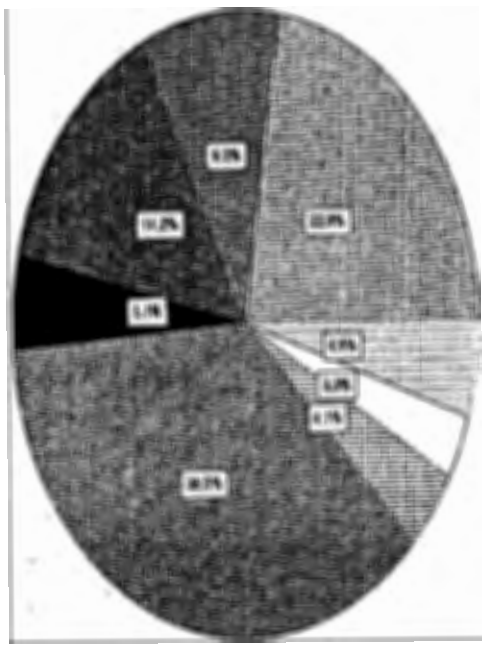
O.C. Partnership for Young Children

Direct Services Allocations

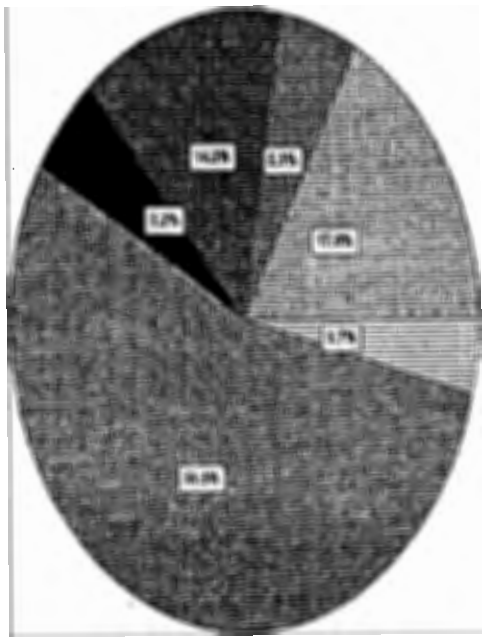
Direct Services FY 1993/94



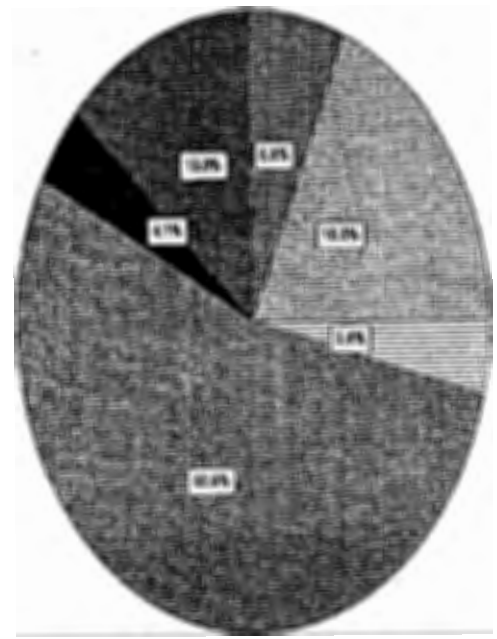
Direct Services FY 1994/95



Direct Services FY 1995/96



Direct Services FY 1996/97



GOAL AREAS		1993/94	%	1994/95	%	1995/96	%	1996/97	%
Early Childhood Education		$493,577	45%	$502,760	23%	$349,154	17%	$372,430	18%
Child Health		$88,202	8%	$204,268	9%	$108,943	5%	$136,885	7%
Family Support		$115,009	10%	$312,773	14%	$292,041	14%	$262,675	13%
Early Intervention		$46,239	4%	$112,174	5%	$107,167	5%	$82,627	4%
Economic Support		$313,432	28%	$805,931	36%	$1,119,712	55%	$1,087,585	54%
Child Safety		$19,388	2%	$91,020	4%	$77,000	4%	$75,705	4%
Service Upgrade		$30,730	3%	$72,822	3%	$200	0%	$0	0%
Community Education		$0	0%	$106,929	5%	$0	0%	$0	0%
TOTAL:		$1,106,577		$2,208,677		$2,054,217		$2,017,907	

4-08-1997 4:28AM FROM P. 1

DEPARTMENT OF HUMAN RESOURCES
DIVISION OF SOCIAL SERVICES

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BLOCK GRANT (TANF)

The Temporary Assistance for Needy Families (TANF) Block Grant is a new grant from the Federal government created by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L 104-193). The grant was created by combining several formerly entitlement programs into one capped grant: Aid To Families With Dependent Children (AFDC), Job Opportunities and Basic Skills (JOBS), AFDC Emergency Assistance cash and services (AFDC-EA), and AFDC state and county administration. Amounts provided to states were determined based on FFY 1995 expenditures for the programs combined into the TANF grant, with additional funds provided to states, including North Carolina, which have above-average population growth and below-average cash benefit levels per recipient.

For the State Fiscal Year 1997-98 the TANF Block Grant funding level is projected to be $317,411,115 as is shown on page 4.

GENERAL DESCRIPTION

The Temporary Assistance for Needy Families Block Grant is intended to provide federal funds which support helping people achieve and maintain a greater degree of economic self-sufficiency, through a combination of cash assistance; case management, employment and training services; system automation and administrative expenses in support of service delivery; and other activities intended to reduce and prevent welfare dependency and promote self-sufficiency.

The primary providers of the services proposed to be funded by the TANF Block Grant are the one hundred county departments of social services. Part of the funds within this block grant are proposed to be used to help meet the rapidly growing demand for day care services for children of families moving to work. Because child care is critical to assisting families to enter employment it is vitally important that these services be available. Federal regulations for the TANF grant allow transfers of up to 30% of the grant per year to child care and to the Social Services Block Grant. In addition to a transfer to child care, an additional transfer to SSBG is also recommended, as detailed in the following recommendations.

RECOMMENDATIONS:

1.	Allocation to the state Division of Social Services for payment of cash assistance benefit payments to Work First families -- both those families subject and those exempt from work requirements -- as determined based upon state-established eligibility criteria.	$262,747,194
2.	Allocation to county Departments of Social Services as partial funding for block grants to Counties for program eligibility determination and case management services, emergency cash assistance and services, employment and training services, and allocated county administrative cost. Balance of county block grant funding to come from state and county funds.	$ 19,281,882
3.	Transfer to the Child Care Development Fund for day care subsidies previously funded with state appropriations. State appropriations previously used for subsidy to be used for Smart Start and other expansion priorities.	$ 27,958,825
4.	Transfer to the Child Care Development Fund for day care subsidy assistance for Work First participants.	$ 3,758,011
5.	Allocation to the state Division of Social Services for funds to purchase substance abuse treatment services for Work First participants who require such treatment in order to achieve and maintain employment.	$ 1,000,000
6.	Allocation to the State Division of Social Services to provide funds to contract for a short-term and long-range evaluation of North Carolina's implementation of federal welfare reform requirements and the Work First program.	$ 700,000
7.	Allocation to the State Division of Social Services to provide funds to foster collaborative efforts with the Community College System to secure effective, time-limited training programs for Work First participants.	$ 500,000
8.	Allocation to the State Division of Social Services to provide funds to train state and county staff on operational changes as a result of Work First and federal welfare reform.	$ 500,000

9.	Transfer to the Social Services Block Grant to provide partial funding for an expansion of the Maternal Outreach Worker program in the Department of Environment, Health, and Natural Resources - Division of Maternal and Child Health.	$ 400,000
10.	Carry-forward federal fund availability to FY 98-99 as permitted by federal legislation.	$ 565,203
	Total Expenditures:	**$317,411,115**

Base TANF Block Grant	$302,240,000
Federal Supplemental Funds	6,520,000
Carry-Forward from FY 97	8,651,115
Total Funds Available:	**$317,411,115**

DIVISION OF SOCIAL SERVICES
Analysis of Temporary Assistance for Needy Families (TANF) Block Grant
SFY 1997-1998

Item Number	Title	Actual SFY 95-96	Appropriated SFY 96-97 (HB 53)	SFY 96-97 Additional Grant Award	SFY 96-97 Total Funds	Recommended Amount SFY 97-98	SFY 96/ Recommended Difference	Explanation of Difference
1	Cash Assistance Benefit payments to Work First families based upon state-established eligibility criteria			177,441,242	177,441,242	262,747,194	262,747,194	Cash benefits to be paid entirely from federal funds in SFY 97-98 and subsequent years.
2	Partial funding for Block Grants to County DSS for program eligibility determination and case management, emergency cash and services assistance, Work First diversion efforts, employment and training services, and administration.			0	0	19,281,882	19,281,882	
3	Provide funding for Smart Start and other Expansion Priorities by transfer to DCD.				0	27,958,825	27,958,825	
4	Transfer to the Division of Child Development for additional day care subsidy purchase for Work First participants.			0	0	3,758,011	3,758,011	
5	Funds to purchase substance abuse treatment services for Work First participants	0	0	0	0	1,000,000	1,000,000	
6	Funds to purchase an evaluation of North Carolina's implementation of federal welfare reform requirements.	0	0	0	0	700,000	700,000	
7	Funds to foster collaborative efforts with the Community College System to secure effective, time-limited training programs for Work First participants.	0	0	0	0	500,000	500,000	
8	Funds to train state and county staff on operational changes as a result of Work First and federal welfare reform.	0	0	0	0	500,000	500,000	

Item Number	Title	Actual SFY 95-96	Appropriated SFY 96-97 (HB 53)	SFY 96-97 Additional Grant Award	SFY 96-97 Total Funds	Recommended Amount SFY 97-98	SFY 96/ Recommended Difference	Explanation of Difference
9	Transfer to Social Services Block Grant to provide partial funding for an expansion of the Maternal Outreach Worker program in DEHNR.	0	0	0	0	400,000	400,000	
10	Carry-forward to subsequent fiscal year as permitted by federal legislation	0	0	8,651,115	8,651,115	565,203	565,203	
11	Work First employment program (old JOBS)			23,100,000	23,100,000			To be included in County Block Grant in FY 97-98 and subsequent years.
12	Emergency Assistance Cash and Services			52,291,265	52,291,265			To be included in County Block Grant in FY 97-98 and subsequent years.
13	County Eligibility Determination/Case Management and Administration			29,052,489	29,052,489			To be included in County Block Grant in FY 97-98 and subsequent years.
14	State Administration			5,203,889	5,203,889			To be funded with state funds in FY 97-98 and subsequent years.
	Total Planned Expenditures			**295,740,000**	**295,740,000**	**317,411,115**	**317,411,115**	
	Available Funds:							
	Base TANF Block Grant			295,740,000	295,740,000	302,240,000	302,240,000	
	TANF Supplemental Funds					6,520,000	6,520,000	
	Carry-Forward from FY 96-97					8,651,115	8,651,115	
	Total TANF Block Grant	**0**	**0**	**295,740,000**	**295,740,000**	**317,411,115**	**317,411,115**	

Strengthening Work First

In North Carolina, three guiding documents contain the state's direction for Work First, Governor Jim Hunt's welfare reform initiative that's putting people to work, cutting the welfare rolls and saving tax dollars.

Proposed Welfare Reform Legislation

The legislation sets the state's broad direction in strengthening Work First. It gives counties greater control and greater flexibility in deciding how to spend welfare funds. It also demands more accountability for how that money is spent.

The legislation calls for counties to submit annual plans telling the state how they will run their program and meet the state and federal performance goals. Counties receive their funds in a block grant. The state will have the option to take over ineffective county programs.

1997-99 State Plan for Work First

The state plan is required by the federal government to describe how North Carolina is carrying out welfare reform. It contains the details of the Work First program. Since January 1, 1997, North Carolina has operated under an interim state plan, based on Work First, that fills the federal requirements for the welfare block grant.

In April, Gov. Jim Hunt will submit to the legislature a comprehensive, two-year state plan taking advantage of increased federal flexibility. It incorporates recommendations of the Human Services Task Force--a group of legislators, county commissioners, county managers, social services directors, welfare parents, and religious, nonprofit and business leaders--who offered their advice on the best ways to use the increased flexibility in the federal welfare law.

The state plan specifies cash benefit levels, eligibility standards, and how county performance will be judged.

Work First Business Plan

The Business Plan is a five-year blueprint that shows how the state will use available funds to make Work First efficient and effective. It emphasizes the need to run Work First like a business, investing in child care and other support services necessary to help families be successful in the workplace. Investing savings from Work First into Smart Start will help make quality child care more affordable and more available for working families. The business plan calls for modernizing the computer system so county staff can better help families, cut red tape, and meet federal reporting requirements.

# # #

Welfare Reform Legislation Summary

The state's proposed welfare reform legislation will make Work First the foundation for implementing the new federal welfare reform law. The legislation recognizes and implements the federal shift to a block grant with a cap on federal spending.

The legislation replaces an entitlement program that provided benefits for an indefinite time with a temporary assistance program that focuses on moving families to self-sufficiency within a five-year lifetime limit on cash assistance.

Program provisions aim to help children, support families, and promote personal responsibility and self-sufficiency.

Following are key features of the legislation:

- Most able-bodied adult recipients are required to be working or in work-related activities within two years. There is a 60-month lifetime limit on cash benefits. (Work First continues to require work within 12 weeks for families in the employment program and ends benefits after two years. Families can then reapply for benefits after being off welfare for three years.)

- Welfare recipients must sign a personal responsibility contract that includes promises to care properly for their children, find a job, and comply with all Work First requirements.

- Work First continues to be state-supervised and county-administered, but with changes, such as increased county flexibility and accountability in spending welfare dollars.

- Each year, counties will be required to submit local block grant plans to the Department of Human Resources, detailing how they intend to use welfare dollars to meet Work First goals. Plans will be enforced through memorandums of agreement between DHR and the counties. DHR can take over county programs which are not effective.

- Welfare checks to families and diversion grants will be paid from federal funds, but support services such as transportation, counseling, etc., will be paid by counties from the block grants primarily funded by state and county appropriations.

- Counties will be required to maintain spending at 100 percent of 1996-97 levels, with no subsequent adjustments for inflation.

- The Department of Human Resources will annually submit for the General Assembly's approval a state plan which includes the bulk of program details (e.g., benefit levels, eligibility standards, and block grant allocations).

- The bill also amends state law to conform to new federal food stamp requirements. Child support enforcement changes to conform to new federal law will be offered in a separate bill.

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April 8, 1997

North Carolina Work First Business Plan

Investing in North Carolina Families

As North Carolina works to help welfare families move to self-sufficiency with Work First, the N.C. Department of Human Resources has created a five-year blueprint for reaching Gov. Jim Hunt's goal of every able-bodied welfare recipient in a job or in job training by 2000.

This business plan recognizes that the state's welfare system must be run like a business—with clearly defined goals and strategies to meet those goals. It highlights the investments in families that will be needed to reach the Governor's goal and to ensure that families remain independent, closing the revolving door to welfare.

It highlights the upfront investment in child care necessary to help parents go to work. Transferring dollars from the federal welfare block grant, as Gov. Hunt has proposed, will free up state dollars to expand Smart Start. This allows those parts of the state not now participating in Smart Start time to plan improvements in child care quality and availability to meet the needs of working families.

Modernizing the state's public assistance computer systems at both the county and state level is critical so county staff can work more closely with families. Now, 4,000 county workers are almost exclusively devoted to manually determining families' eligibility for public assistance. Automating that job throughout the state will cut the red tape and give staff more time to help families move to self-sufficiency. An aggressive fraud prevention and recovery effort supports efforts to direct services to children and families.

Following are key highlights of the five-year business plan:

Smart Start: In 1997-98, $22.9 million of federal welfare block grant dollars is invested in child care subsidies. This frees up state money to expand Smart Start statewide. Through Smart Start, families will have better access to higher quality child care, improved preventive health care for their children, and other support services. By state law, communities must spend at least 30 percent of Smart Start dollars for financial help with child care expenses. The annual investment in Smart Start increases to $31.5 million in 1998-99 and remains at that level through 2001-02.

Child care: In 1997-98, an additional $3.8 million is provided to help pay for child care for families leaving welfare. That investment rises to $104.5 million by 2001-02.

Support services: Transportation, job training and other support services are built into the business plan at a rate of $1,500 per participant. An additional $500,000 a year is provided for joint community college/Work First training initiatives.

Substance abuse: The plan includes a new investment in substance abuse services of $1 million a year for five years so Work First participants with substance abuse problems can get the help they need and get back on their feet.

Child welfare/mental health: The plan maintains the state's investment in child welfare and mental health services at $104.6 million a year for five years. About 60 percent of those dollars support the protection of children at the county level, with the remainder going for mental health treatment and emergency grants for families.

Evaluation: The plan invests $700,000 a year for five years to evaluate the impact of Work First on families and children. It will look at issues such as how long welfare parents stay in jobs, how much they're paid, and the impact of welfare reform on child abuse and neglect.

County administration: The plan projects that county administrative costs will decline by 3 percent a year and state costs by 2 percent a year.

Automation: The plan invests $16.9 million in automation for 1997-98 and $62.8 million over the five-year period to improve efficiency and meet federal reporting requirements.

April 8, 1997

Work First State Plan Summary

Work First, Gov. Jim Hunt's welfare reform initiative, changed the face of welfare in North Carolina with tough work requirements, personal responsibility contracts, and incentives to help welfare families move into the work force. Now, with the new flexibility provided by federal welfare reform, the state is moving to strengthen and build on Work First's progress.

In October 1996, the state convened an 80-member Human Services Task Force—a group of legislators, county commissioners, county managers, social services directors, welfare parents, and religious, nonprofit and business leaders—to work on a far-reaching state plan for Work First.[1] The task force and its 14 work groups began intensive meetings, looking at issues ranging from child care to child support, accountability for helping families find work to creating job bonuses for families that go to work. Their goal was to strengthen personal responsibility and self-sufficiency.

The new proposed state plan, being presented in April to the General Assembly:

- Builds on the success and groundwork of Work First, Governor Jim Hunt's welfare-to-work initiative, which has helped reduce welfare rolls by almost 20 percent since it began. It continues all provisions of Work First, such as requiring work and personal responsibility.
- Describes a new county block grant system that increases local control over how welfare money is spent. After offering a core group of services, counties can determine the needs of their welfare families and spend funds accordingly. They must maintain their 1996-97 level of spending.
- Reinvests savings from Work First into child care, Smart Start, transportation services, substance abuse counseling, an employee assistance program, employer incentives such as wage subsidies, and other services to help families be self sufficient.
- Calls for broad community participation in the local planning process and encourages counties to consider contracting with nonprofits, including religious groups, to help families move to self-sufficiency.
- Rewards families moving from welfare to work with a three-month "job bonus" and simplifies eligibility and benefits for families."
- Spells out goals that counties must address in their block grant plans, including decreasing their welfare populations, diverting more families from going on welfare in the first place, and working to keep families self-sufficient after they leave welfare. Appendix A
- Specifies how funds may be spent, and limits spending on administration to 15 percent of the total. Fed limit
- Describes how Work First will be evaluated by an outside group, including the impact of welfare reform on children.
- Sets a statewide goal of a 4 percent reduction in out-of-wedlock births in two years.

Together with proposed changes in state law and with the Department of Human Resources' five-year "business plan," which highlights investments in child care and other family services from welfare savings, the state plan charts a new course for Work First. These changes require no new funding and will help lead to stronger families and a stronger North Carolina.

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[1] In Oct. 1996, North Carolina submitted an interim state plan based on Work First to U.S. Health and Human Services. The interim plan, which went into effect Jan. 1, allowed North Carolina to receive more funds than the state would have gotten under the old welfare rules.

WORK FIRST STATE PLAN: 1997-99

Temporary Assistance for Needy Families
P.L. 104-193

N.C. Department of Human Resources
Raleigh, North Carolina
April 8, 1997

WORK FIRST STATE PLAN
Temporary Assistance for Needy Families
P.L. 104-193

INTRODUCTION

North Carolina launched its comprehensive, statewide approach to moving families from welfare to work in July, 1995, through Work First, Governor Jim Hunt's welfare reform initiative. From the beginning, Work First represented a fundamental shift in the state's welfare policies and program and is breaking the cycle of welfare dependency in North Carolina.

Work First means what it says. Work is required for families on welfare. Work First is based on the premise that parents have a responsibility to support themselves and their children. Through Work First, parents can get short-term training and families can get child care and other services to help them become self-sufficient, but ultimately the responsibility is theirs, and they have two years to move off welfare.

In any given month, depending on how many families come into the system, how long they stay, and how many leave, the number of families on welfare rises or falls. Recognizing this, Work First emphasizes three strategies:

1. Keeping families out of the welfare system by helping them cope with unexpected emergencies or set-backs.

   Under Work First, qualifying families can get up to three months worth of cash assistance, child care, food stamps, and Medicaid, if they stay off of welfare. If they wind up on the Work First welfare rolls, they must repay the grant.

2. Shortening the length of time that families are in the welfare system by making work mandatory and by limiting how long a family can receive cash assistance.

   To receive benefits under Work First, parents must sign a personal responsibility contract and, once they move into the phased-in work requirement, they can continue to receive benefits only for 24 months. Families reaching that limit cannot reapply for welfare for three years.

3. Helping families that leave welfare to stay off by encouraging them to save and by helping to make sure they really are better off working than on welfare.

   Work First waivers increased limits on savings and cars, and the state legislature raised income eligibility limits for subsidized child care to ease the burden on low-income, working families.

Under the new federal welfare block grant (also known as Temporary Assistance for Needy Families), the dynamics of welfare rolls have not changed, but the consequences of rising caseloads during an economic downturn have changed greatly. The ceiling on federal funding and the five-year lifetime limit on benefits mean that states not only must

help families move toward self-sufficiency, they must help make sure that former welfare families (and low-income working families, in general) have the support they need to remain self-sufficient.

Through Work First, the number of families on welfare in North Carolina has dropped nearly 20 percent, from 113,485 in June 1995, to 91,538 at the beginning of March, 1997. Ultimately, North Carolina's goal is to help all families move to self-sufficiency. Most will make it all the way; some, because of hardship or disability, may only make it part of the way. All families can and should help to support themselves.

PUBLIC INVOLVEMENT

In August 1995, when it appeared that a federal welfare block grant would soon become reality, the North Carolina Local Government Partnership Council, created by executive order and chaired by the state's Lieutenant Governor, appointed a Human Services Task Force in an effort to reach consensus on a state plan. This effort, involving more than 80 people representing a wide range of advocates, public and nonprofit agencies, religious groups, and individuals (including legislators, county officials, low-income families, and former welfare recipients), met a number of times over the next five months and began crafting a response broadly based on increased flexibility in exchange for accountability for moving families to self-sufficiency.

On September 18, 1996 the Task Force again convened after enactment of the federal welfare reform bill. The Task Force agreed that the state should pursue both short-term and long-term plans of action. In the short-term, North Carolina submitted a state plan based largely on North Carolina's existing Work First program, including federal waivers approved by the US Department of Health and Human Services in February 1996, which took effect on July 1, 1996. This initial plan allowed the state to continue its present course with as few disruptions as possible to Work First and to obtain federal funds at the higher "capped" level established in the new law. The Task Force then began the longer-term strategy to develop a new, comprehensive state plan.

The 80-plus members of the Human Services Task Force were joined by county commissioners and managers, directors of county departments of social services, and others, including Department of Human Resources staff. This diverse group of nearly 200 people were assembled in 14 work groups to develop a long-term plan for Work First in North Carolina. The work groups, which are listed below, developed recommendations which have been incorporated into this state plan.

Welfare Reform Work Groups

State/County Relations	Budget	Automation
Work & Benefits	Child Care	Community Involvement
Health Care	Legal Issues	Organizational Development
Transportation	Housing	Mental Health & Substance Abuse
Fraud & Abuse	Child Support	

PROGRAM ADMINISTRATION

North Carolina will continue to operate Work First through a partnership between the State and counties that is state-supervised and county-administered and is supported through both State and county financial contributions. (The N.C. Department of Human Resources will operate as the lead state agency responsible for administering Work First.) Work First will provide recipients with job preparation and employment and support services. A cooperative initiative with the community college system will help provide training and basic skills instruction.

Building partnerships and alliances with public agencies and community groups is critical to nurture, protect and support families and children. Thus, this state plan has been developed to:

- Enable families to become and remain self-sufficient through unsubsidized employment.
- Help families overcome barriers such as lack of transportation, child care, health care, adequate housing, and employment skills.
- Give counties flexibility in developing local Work First programs which are tailored to their demographic and employment needs.
- Provide services in a manner that is efficient, accountable, and fair.

Statewide standards define eligible families and benefits for families. A set of core services will be available throughout the state that:

- Assure that children and adults are protected from abuse, neglect and exploitation.
- Enable citizens to maintain or achieve maximum self-sufficiency and personal independence through employment and short-term training.
- Strengthen family life that nurtures and protects children so they can become healthy, productive, and responsible adults.
- Help families and individuals obtain the basic necessities of life.
- Require non-custodial parents to support their children.
- Assist disabled and dependent adults, and caretakers of disabled children, while ensuring that they live as independently as possible.

Each county will develop a local block grant plan, including descriptions of strategies to achieve the measurable outcome goals described in this plan. In developing their plans, counties must involve a broad range of public, private, and nonprofit groups. Counties may include in their plans demonstration projects which are intended to improve their ability to meet local goals. The Department will approve local plans through a memorandum of agreement. (See Appendix A for specific requirements of local block grant plans.)

As lead agencies, county departments of social services will coordinate community resources to help meet their plan goals, including resources to meet the child care and transportation needs of families. Because broad-based community involvement is essential to help families become self-sufficient, the local block grant plan should describe how businesses, community groups, nonprofits, and religious groups will be involved in their Work First program.

Eligibility standards that were in place as of January 1997 will remain in effect until 180 days after approval by the General Assembly of the Block Grant plan or January 1, 1998, whichever is later.

North Carolina, in accordance with G.S. 108A-80 and applicable federal law, will restrict the use and disclosure of information about people receiving assistance under Work First to safeguard the confidentiality of all applicants and recipients.

NEEDY FAMILIES

Welfare is provided primarily to children. Biological or adoptive parents and step-parents may apply for assistance for a child and must be included in the payment for the family, unless they are disqualified from the program. Other relatives and individuals with legal custody or guardianship of children may apply for assistance on their behalf, but will not be included in the payment to the family.

County staff will assess the living arrangements of children who do not live with a parent and may discontinue assistance if a suitable living arrangement with a parent is established.

Children are eligible for benefits through age 17. Parents under age 18 must live at home or in an approved adult-supervised arrangement (subject to certain exceptions) and remain in school. Legal immigrants who were living in the United States on August 22, 1996 and who otherwise are eligible for benefits shall continue to be eligible for Temporary Assistance for Needy Families and for Medicaid.

TEMPORARY ASSISTANCE

Work, child support, and, when necessary, federal disability – not welfare – should be the primary sources of family income. Within 12 weeks of being found eligible for temporary assistance, adults in the Work First employment program must be working or engaged in work activities, or both for at least 30 hours per week.

Within 24 months of receiving assistance, all adults should be participating in a work activity. A single parent of a child less than one year old shall not be required to comply with work requirements for 12 months, or until the child turns one (this exemption cannot exceed 12 months per lifetime for each single adult). The responsibilities of the recipient and the county are spelled out in a Personal Responsibility Contract which describes steps the family will take to become self-sufficient and support services the county will provide. (See Appendix B.)

Denial of assistance and benefits for certain drug-related convictions identified in federal law shall be as enacted by State law. North Carolina does not require community service employment within two months of receiving assistance. Families must legally reside in the state to receive assistance, and families that have moved to North Carolina after receiving welfare in another state will not be treated differently from current residents.

Work First Diversion Assistance (emergency grants) is available to families in lieu of cash assistance when they simply need short-term help to remain self-sufficient. While families must meet the same income and asset limits as families that qualify for family assistance, the payment is not based on the family's income, but rather on the family's need. Benefits may include a cash payment of up to three months of cash assistance, employment services, Medicaid, child care, and food stamps. If a family later receives assistance within 36 months, the family must repay the cash assistance it received.

Since diversion assistance is a one time payment, it does not trigger the two-year Work First time limit or the five-year federal lifetime limit on benefits. Nor are recipients of diversion assistance required to participate in the Work First employment program. These families are not considered in calculating the state's participation rate.

Families are limited to a cumulative total of 24 months of assistance once they enter the Work First employment program. Families must wait 36 months before they may reapply for assistance.

At the end of 24 months in the Work First employment program, families who have complied with the terms of their Personal Responsibility Contract and, through no fault of their own, are unable to find a job may request an extension. County boards of social services shall review each request to determine whether an extension should be granted on a month-to-month basis. Families must comply with their Personal Responsibility Contract during any extension.

Non-custodial parents who are delinquent in child support payments may also be required to participate in work activities.

The Department is developing an information package for businesses that will include information about the federal Work Opportunity Tax Credit, wage subsidies, the earned income tax credit, and other incentives to help business that hire Work First participants. The Department is also expanding the employee assistance program to help businesses assist new employees as they move from welfare to work.

Any overpayment of cash assistance will be recovered from the family, as allowed under state or federal law. This includes fraud, inadvertent errors by the family, and administrative errors by the local agency or state.

ELIGIBILITY AND BENEFITS

Only cash and assets that can be readily converted to cash will be counted toward a $3,000 asset limit. All types of income will be counted in determining eligibility and

computing benefits, except earnings of children, earned income tax credit, and income excluded by other law. Benefits for families with income shall be calculated as follows:

- For the first three months a families has earned income, the family will receive a job bonus by having 100% of their earnings excluded from the payment calculation.
- After the first three months of employment, 55% of earned income will not be counted toward total income.
- The 45% balance of earned income is added to any unearned income,
- The total of earned and unearned income is then subtracted from the payment standard which is based on the family size.

If total income exceeds the payment standard for the number of individuals in the family, the family is not eligible for assistance. If family income is less than the payment standard, the cash benefit is the difference between the payment standard and the family's income. In child-only cases, only the unearned income of the child or children is counted.

Families, except for child-only cases, are certified as eligible for three months. Benefit levels and eligibility are not affected by changes in income or assets during the three month certification period. At the end of each certification period, the caseworker and adult recipient review eligibility, recalculate benefits, and review the personal responsibility contract.

A child, except for child-only cases, who is expected to be away from home for 90 consecutive days or more is not eligible for assistance. An adult caretaker who does not report the child's absence is ineligible for cash assistance for three months.

As under previous federal law, counties may use Work First block grant funds to offer emergency assistance to families in accordance with their approved local plan.

As required under federal law, child support must be assigned to the state while the family remains on Work First Family Assistance. The distribution of child support payments will be made in accordance with federal regulations.

A "representative payee" will be appointed to manage benefits for family when a parent is sanctioned for failing to participate in substance abuse treatment as stipulated in their personal responsibility contract.

The changes to Title IV-A financial eligibility made by this plan are not more restrictive than those in effect in July, 1996, and thus may be extended to Medicaid. A single application may be used to determine eligible for Work First, Medicaid and food stamps. Medicaid income and resource standards may be adjusted annually by the Consumer Price Index.

SANCTIONS

The families of parents who refuse to sign the Part I of the Personal Responsibility Contract are ineligible to receive cash benefits until the contract is signed. If a parent refuses to sign Part II of the Personal Responsibility Contract, the family is ineligible for cash assistance for at least one month. Eligibility shall not be re-established until Part II is signed. For failing to comply with a signed contract, existing monetary sanctions shall be enforced.

APPLICATION PROCESS

County departments of social services are responsible for developing a benefit package as quickly as possible to help the family move toward self-sufficiency. Applications must be completed by the 45th calendar day following the date of application. Counties should offer families other services to enable them to remain off cash assistance. Such services may include diversion assistance, child support services, child care, and job placement services offered by the local employment security office.

EMERGENCY ASSISTANCE

Counties may continue to offer services formerly provided under the Emergency Assistance Program as specified in their block grant plans. Services, cash assistance, or both may be provided on behalf of children under age 21 or to the adult caretaker with whom the child lives or has lived during the previous six months. To be eligible for services, the family must be unable to pay for services needed to alleviate the emergency.

These services may include in-home services such as case management and service planning and coordination, counseling and treatment services, and family support and family preservation services. Out-of-home services may include residential placement, care and treatment in a group setting, and other services such as child welfare services and transportation.

Counties may also provide cash assistance as specified in their block grant plans. To be eligible for emergency cash assistance, the family's net income must not exceed 110% of the current poverty level and its total countable liquid assets must not exceed $2,200. Families may receive emergency cash assistance only during one 30 day period in any 12 month period.

Emergency assistance does not trigger the 24- or 60-month time limit. Nor will families receiving emergency assistance be required to participate in the work program. These families are not included in calculating the state's participation rates. (See Appendix C for full eligibility criteria.)

APPEALS PROCESS

The Department of Human Resources has set uniform standards for determining eligibility, providing benefits, and ensuring fair and equitable treatment. Applicants or recipients who wish to contest a decision adversely affecting their receipt of public

assistance, or workers contending a breach of the non-displacement in work activity provision of federal law, may appeal in accordance with G.S. 108A-79. Families must be informed of their right to appeal and provided with copies of Work First policy upon request.

SUPPORT SERVICES

Counties must provide support services to enable families to become and remain self-sufficient. To the extent resources are available, they may be provided at any time to support all of the activities in the Personal Responsibility Contract, including before and after a family receives cash assistance.

Child Care

All parents receiving child care subsidies should have a choice of legally operating providers and information to help them evaluate their child care arrangement. To receive public funding, child care providers must abide by public health and safety standards.

Payment rates should support the development and maintenance of effective child care options for children and families and help parents move toward full financial responsibility as their resources permit. All parents who have income are required to help pay for the cost of child care in accordance with the fee schedules administered by the N.C. Division of Child Development.

The state will collect data profiling the children and families receiving services, cost patterns, and trends affecting the availability of and need for child care.

Child Support

Child support is an important source of income for many families, but less than 18 percent of children on welfare get support from their absent parent. In an effort to increase the rate and amount of child support collections and to bring the State into compliance with new federal requirements, the Department will:

- Propose increasing application fees from $10 to $25, pending legislation, for non-public assistance cases receiving services.
- Establish a central collection unit no later than October 1999, which may be operated by an outside contractor if it is more cost-effective.
- Establish and publicize a New Hire Directory by October 1997 which would use W-4 forms to report new hires within 20 days.
- Develop a group health plan coverage option for non-custodial parents of children that do not affordable health coverage.

Courts are authorized to hold parents of custodial and non-custodial minor parents liable for support provided to their grandchildren. Pending legislative approval, procedures will be established by October 1997, for access to data from financial institutions on delinquent parents.

Housing

Counties may establish a "shelter assistance fund" to provide short term rental or utility assistance to help families get or keep affordable housing. Housing needs will also be part of the assessment to develop the Personal Responsibility Contract. Individual development accounts, as defined in Sec. 404 (h)(2)(B) of the federal block grant, may be used to promote home ownership.

The Department will promote an information exchange and referral network collaboration between county DSS offices and housing providers such as public housing authorities, the N.C. Housing Trust Fund, and others.

Health Care & Substance Abuse

Early childhood services are provided when substance abuse is identified to ensure the healthy development of children in these families. The Department will begin out-stationing trained substance abuse counselors in county offices to do screening, assessment, employment readiness counseling, and referrals for treatment.

Treatment programs will provide self-sufficiency skills and vocational support for individuals with substance abuse related impairments. The Department will finish developing an enhanced Employee Assistance Program (EAP) program for employers. The EAP is will help employers work with participants in the workplace and encourage greater employer support.

Transportation

Counties may provide transportation services, including child care services, to Work First participants for whom transportation is not otherwise available to enable them to participate in Work First activities and to work. Transportation expenditures may not exceed $3,000 per participant or family member in any 12 month period.

One-time transportation assistance may be provided for up to six months after a Work First participant becomes ineligible for cash assistance.

Counties are encouraged to promote car ownership for Work First families by working with community groups, community colleges, and businesses. In addition, counties should encourage employers to help meet the transportation needs of Work First participants by purchasing company vans or monthly bus passes and providing transit commuter benefits.

Counties are also encouraged to use geographic information systems technology to identify major employers, training centers, child care facilities, and family residences in planning to meet the needs of Work First families. County staff and transportation coordinators should participate in developing local Transportation Development Plans and making employers aware of transportation services in their community.

FRAUD AND ABUSE

The Department of Human Resources, through regulations, is strengthening and enforcing standards and procedures to detect and prevent fraud and abuse by recipients and employees of the program. In addition, the Department is pursuing legislative action to provide additional statutory tools in this area.

AUTOMATION

Effective automation tools and access to useful information are essential to achieve the goals of Work First. Five of the six major systems supporting welfare-related programs were built in the 1980's to meet business needs of the time. These systems, which primarily focus on paying benefits, have been heavily modified throughout the years to keep abreast of regulatory and program rules.

Work First has dramatically changed the business operation and the type of services that are to be delivered. Caseworkers now must deliver services that promote family self-sufficiency. To do their job, they must act as counselors, community liaisons, and negotiators of the Personal Responsibility Contract. These new responsibilities are not supported by the existing systems.

The Department has developed a plan that will integrate the traditional eligibility determination and benefit delivery components with case management tools required in today's environment. The approach, which is driven by the business need, centers on the phased-in delivery of critical components.

This approach will improve the use of public resources, ensure comparable access to services throughout the state, and allow county staff to focus on helping Work First families become self-sufficient. Investments in automation will improve child support collections, fraud detection and recovery, and performance assessment at the individual, county and state level. Specific components of the plan include:

- Roll-out of a statewide network to support e-mail and exchange of information among agencies
- Interfaces between systems
- Compliance with federal requirements
- A registry of new hires for child support
- Management Information and Tracking
- A data warehouse for statistical analysis, outcome measures and local, state, and federal reporting
- Enhanced fraud and abuse tracking
- Development of new service delivery tools
- User training, office readiness
- Skilled project management

PROGRAM EVALUATION

The state will monitor the outcome and performance goals described in Appendix A. County plans will include specific goals. Beyond this, the Department will assess such indicators as:

Percentage change in the overall caseload size
Employment status of Work First participants
Change in family income
Percentage of families involved in work or training activities
Percentage of families diverted from assistance
Number of reapplications (recidivism rate)
School performance and attendance of Work First children
Percentage of Work First children who are appropriately immunized
Number and percentage of out of wedlock births
Amount and percentage of collections on overpayments
Percentage of child support cases with paternity established
Percentage change in child support collections

The Department is working with the Jordan Institute for Families at the University of North Carolina at Chapel Hill to develop state- and county-level forecasting models for welfare rolls and management information software. The Department is also working with Maximus, Inc., a national consulting firm, to assess the impact of Work First on the well-being of children and families.

County plans must target performance measures required by the State and any other performance measures as stipulated by the local planning effort and incorporated into the Memorandum of Agreement.

WAIVERS

The U.S. Department of Health and Human Services approved North Carolina's welfare waiver package in February, 1996. These waivers took effect statewide on July 1, 1996. Inconsistencies between this state plan and the requirements of P.L. 104-193, not expressly prohibited by federal law, are supported by approved waivers, as interpreted with reference to the laws in effect at that time.

The waiver for Cabarrus County, North Carolina, will continue to operate as described in the terms and conditions for that waiver.

ORGANIZATIONAL DEVELOPMENT

As Work First helps families move from dependency to self-sufficiency and from a welfare check to a paycheck, public agencies that administer Work First must also change. Helping counties make that transition will be a major focus of the Department's technical assistance and training efforts. These efforts may include but are not limited to:

- Training staff and redesigning welfare offices to help Work First families become self-sufficient;
- Reviewing and rewriting job classifications of staff who work with families;
- Developing measures of job performance that target outcome measures for families; and
- Assisting county efforts to try new approaches, work regionally, train staff in integrated case management, develop teams, and conduct demonstration projects.

The Department will encourage counties to move to performance contracts to provide services to families and to contract with private providers as specified in their county plan.

One of the first goals of the automation initiative (described on a preceding page) is to streamline and simplify processes such as eligibility determination and case management, which will make it easier to contract those services to outside organizations. Non-profits, including religious organizations, will be given the opportunity to compete for contracts to provide services to Work First families.

Finally, the Department will expand the accreditation program with county departments of social services to promote customer service, community involvement, and management.

COMMUNITY PARTNERSHIPS

Government alone cannot help families become self-sufficient. Real welfare reform must be a community-wide effort that involves a broad range of community resources, including non-profits, religious organizations, and the business sector. Ultimately, work and community support – not government programs – constitute a genuine "safety net" for needy families.

In the past, private and nonprofit groups and organizations have not been given a leading role in helping families leave welfare. Now, to make welfare reform a reality, they must become partners in supporting change. This can be accomplished by involving the entire community in planning, implementing, and evaluating welfare reform. Employers, in particular, can play a critical role in hiring, training, supporting, and retaining Work First participants.

Grassroots efforts to educate the public about Work First and to involve them in helping families are essential to its success. Effective community partnerships between public and private agencies and organizations are key, and a description of them must be included in county block grant plans.

In addition, the Department is developing a planning guide for local Work First "forums" to highlight job openings, business incentives for hiring participants, transportation barriers, and other issues.

OUT-OF-WEDLOCK BIRTHS

Children born out of wedlock are three times more likely to be on welfare than children of married parents. Because out-of-wedlock births are so closely linked to poverty, reducing them will improve the health of women and children and help reduce welfare dependency.

While the number of out-of-wedlock births has been slowly declining, aggressive action could help reduce them even faster. The state's goal is to reduce the incidence of out-of-wedlock births by 4.0 percent for calendar years 1997 and 1998, as anticipated in federal law.

Because the circumstances contributing to out-of-wedlock births are complex, strategies to reduce them must address a wide range of issues – from access to family planning services to promoting abstinence and responsible behavior. Some of these strategies include:

- Supporting community efforts to promote family values and responsible reproductive health behavior and practices.
- Strictly enforcing laws against statutory rape.
- Cooperative efforts to provide training for State and local law enforcement officials, the education system and relevant counseling services about the problems of statutory rape that include men will continue.

Counties must address the problem of out-of-wedlock births in the local plans and describe strategies to reduce them. In addition, the Department is giving high priority to its Adolescent Parenting Program and to the Adolescent Pregnancy Prevention Program. The Department will continue to monitor prevention efforts, particularly those aimed at reducing teen pregnancy.

INDIAN TRIBES

The Eastern Band of Cherokee Indians, the only Indian tribe in North Carolina recognized by the U.S. Bureau of Indian Affairs, has elected to remain under the state Work First Family Assistance Program. The Eastern Band of Cherokee Indians will continue to operate a separate employment and training program.

CONFIDENTIALITY

North Carolina, in accordance with state and federal law, will restrict the use and disclosure of information about families and individuals receiving assistance under the Work First program to the extent needed to protect their confidentiality.

DOMESTIC VIOLENCE

The state is developing standards and procedures to screen and identify individuals with a history of domestic violence who receive assistance and to refer them to counseling and supportive services (while maintaining their confidentiality).

Once standards and procedures are in place, the Department may waive, with good cause, Work First requirements such as time limits (for as long as necessary), child support cooperation, and family cap provisions, in cases where compliance would make it more difficult for the recipient to escape domestic violence, or would unfairly penalize someone who is, or has been, a victim of domestic violence.

USE OF FUNDS

1. Federal TANF funds will be used for cash assistance payments to needy families.
2. Maintenance of effort will be 100%. State and county appropriations for the Work First program shall equal State and county appropriations for the fiscal year ending June 30, 1997.
3. Non cash assistance TANF costs will be funded out of block grants provided to counties. Employment services, administrative costs, Emergency Assistance, eligibility determination, case management functions, welfare diversion measures, and other non cash assistance costs will be paid from block grants to the counties.
4. Federal, State, and county TANF funds will be invested in activities to support achievement of specified outcome measures. These activities include, but are not limited to, enhanced training to facilitate re-engineering of state and local staff, automation, employer incentives, family planning services, substance abuse treatment, child care, and other activities enabling self-sufficiency for families.
5. Administration costs will not exceed 15 percent of total expenditures. Administration is defined as costs associated with office directors, policy, fiscal, budget, personnel, purchasing, legal, clerical support, and direct, indirect, and allocated costs in support of these positions. *The costs of eligibility workers, case managers, program supervisors, program clerical staff, and support costs of program staff are considered services costs.*
6. If federal TANF funds are insufficient to cover cash assistance costs in the event of economic downturns, other federal, state, and county funds will be used to meet the costs of assisting needy families.
7. Counties will be able to partially retain collections made on overpayments not due to agency error, including child care overpayments.

CERTIFICATIONS REQUIRED OF THE GOVERNOR

As Governor of the State of North Carolina, I hereby certify that during each fiscal year to which this state plan is applicable:

This program will be known as the Work First Program;

The provisions described in this state plan will be carried out in accordance with federal and state law;

The state will operate a Child Support Program in accordance with the state plan approved under Title IV-D of the Social Security Act;

The state will operate a foster care and adoption assistance program in accordance with the state plan approved under Title IV-E of the Social Security Act;

The state will take any actions that are necessary to ensure that children receiving assistance under Title IV-E of the Social Security Act are eligible for medical assistance under Title XIX of the Social Security Act.

I also certify that:

Local governments and private organizations have been consulted regarding the plan and design of welfare services in the state, and they have been given 45 days to submit comments on the plan and design of those services.

The North Carolina Department of Human Resources is the agency responsible for supervising the program and administering program funds.

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James B. Hunt Jr., Governor
State of North Carolina

APPENDIX A

Local Block Grant Plans

Each county must submit annually to the Department of Human Resources for approval a local block grant plan which describes its proposed Work First Employment Services, Emergency Assistance, and Diversion Assistance Programs. The public must have an opportunity to review and comment upon the local block grant plan before it is submitted to the Department, and counties are strongly encouraged to involve the business community, religious organizations, local non-profits, and others in the development of their plan.

The local block grant plan should include public and private resources that will help families move to self-sufficiency and should describe how services such as child care, transportation, housing, and skills training will be used. The plan must include the county's priorities for serving families who need child care, based on the needs of the community and the availability of services and funding. The county's Emergency Assistance program – cash and services – must also be described.

Following review by the local social services board and other parties, the local block grant plan shall be approved by the county commissioners before it is submitted to the Department. The Department and the county shall confirm agreement on the plan through a Memorandum of Agreement (referred to in this plan as the "county agreement").

The Department may specify details in the county agreement that are necessary to ensure proper operation of the Work First Program. The county agreement may include the amount of and any limitations or conditions on the use of funds under the block grant, including the disposition of remaining funds at the completion of the fiscal year.

The county agreement must describe outcome and performance goals for determining the success of Work First at the county level. The county agreement may also provide for accreditation of county programs by the Department, for technical assistance to counties, and for other monitoring activities.

County outcome and performance goals will take into account economic factors and conditions and will include the following:

I. Caseload Reduction. The North Carolina business plan reflects a steady decline in the overall Work First caseload. This critical indicator of success is the primary objective for the local administration of the program. The agreement for each county will specify the county's proportionate share of the reduction required to achieve the statewide goals.

II. Employment. Self-sufficiency and caseload reductions will be realized primarily through the employment of Work First clients. The county agreement will establish the number of Work First recipients who should be employed. The hours of

employment must meet or exceed the minimum needed to qualify under the applicable federal work participation rate.

III. Active Participation. The active participation in employment services and activities will lead to full time employment. The county agreement will establish the percentage of a county's caseload that should be in active status. The participation must average 30 hours per week or more. Two parent families must participate 35 hours per week.

IV. Diversion Assistance. The most successful outcome possible for an applicant for public assistance is to avoid the need to become a recipient. This is also recognized in the federal law, which specifies diversion from public assistance as a desired outcome. Use of the Work First diversion assistance for a specified percentage or number of Work First applications (for families who have not received assistance for 12 months) will be included in each county's county agreement.

V. Staying Off Welfare. Efforts to reduce welfare rolls, help families find jobs, and increase self-sufficiency are undermined when families return to welfare. Families leaving Work First will be tracked to determine if they return to cash assistance. The county agreement will specify the percentage of all closed cases that should remain off of assistance.

VI. Child Support. An effective child support effort will help prevent families from returning to welfare. New federal changes enhance the ability to pursue support. The key components of this measure are (1) the number of child support orders established, and (2) the dollar amount of each child support order among Work First families.

The agreement will specify numerical goals for each county for each factor.

MAINTENANCE OF EFFORT

County block grant funds may be used as necessary to meet the goals in the county plan and memorandum of agreement, consistent with the federal definition of a qualified state expenditure. Qualified expenditures may only be made on behalf of families with children that meet income eligibility standards. Funds may be spent for:

- Cash assistance.
- Child care.
- Educational activities intended to increase self-sufficiency, job training, and work, excluding any expenditure for public education in the State except expenditures which involve the provision of services or assistance to a member of an eligible family which is not generally available to other people.
- Administrative costs (which may not exceed 15% of the total funds spent for purposes under Title I of the federal block grant).

  [Administration is defined as costs associated with office directors, policy, fiscal, budget, personnel, purchasing, legal, clerical support, and direct,

indirect, and allocated costs in support of these positions. The costs of eligibility workers, case managers, program supervisors, program clerical staff, and support costs of program staff are considered services costs.]

- Eligibility determination and case management services.
- Other uses that reasonably can be expected to enable families to care for children in their homes; that promote job preparation, work, and marriage; that prevent or reduce the incidence of out of wedlock pregnancies; and that encourage parents to marry and remain married.
- Any purpose for which the State was authorized to use funds received under Parts A and F (i.e., cash assistance, emergency assistance, and employment services) as they were in effect on September 30, 1995.

The Department will provide a template that counties must follow in developing their block grant plans and complying with their Memorandum of Agreement.

APPENDIX B

Personal Responsibilities and Work Requirements

Work First is based on the premise that all parents have a responsibility to support themselves and their children. Under Work First, the Personal Responsibility Contract spells out in detail the obligations of parents or legal guardians in return for family assistance.

Personal Responsibility Contracts

Part I of the Personal Responsibility Contract applies to all families and describes the parent's or caretaker's responsibilities. All contracts must include the first three items and other items, as appropriate:

- make sure that their children attend school
- get their children immunized appropriately and regular check-ups
- cooperate with child support enforcement
- participate in financial management and life skills classes
- participate in substance abuse treatment
- participate in mental health treatment
- attend family planning counseling
- attend domestic violence counseling
- participate in work activities
- participate in rehabilitation services
- live with a parent or other approved adult (parents under age 18).

A family is not eligible for Family Assistance unless the parent or caretaker signs Part I.

Part II of the Personal Responsibility Contract is the parent's or caretaker's plan to meet the work requirements. Part II:

1. Establishes an employment goal for the parent;
2. Describes a plan for participating an average of at least 30 hours per week for single parents, or 35 hours per week for two parent families; and
3. Describes the case management and support services that will be provided to help the family become self-sufficient within two years.

Part II may also include requirements shown under Part I. A family whose parent refuses to sign Part II loses their benefits for at least one month. Benefits may not be restored until the parent signs Part II.

SANCTIONS

For parents who fail, without good cause, to participate in work activities or to comply with the terms and conditions of their personal responsibility contracts, sanctions will result which reduce a family's monthly Work First Family Assistance payment as follows:

First Sanction	$50 reduction for three months
Second Sanction	$75 reduction for three months
Third Sanction	$75 reduction for six months
Fourth & Subsequent Sanctions	$75 reduction for 12 months

These sanctions were included in the waivers approved by the U.S. Department of Health and Human Services in February 1996 and will continue unchanged. Good cause is defined as:

- A family crisis or change;
- Illness of the caretaker or child, including participation in substance abuse treatment or medical appointment;
- Civil leave, including jury duty, or a required court appearance; and
- Any other reason deemed sufficient by the county director or designee.

Work Requirements

Within three months of receiving assistance, a family will be assessed for employability. A single parent with a child under 12 months of age is exempt from active participation in Work First employment services (limited to 12 months exemption for each single parent); also, individuals with children under six who demonstrate that adequate child care is not available are exempt from participation.

Lack of adequate child care is defined as the unavailability of appropriate child care within a reasonable distance from the parent's home or work; the unavailability or unsuitability of informal child care by a relative or other arrangements; and the unavailability of appropriate and affordable formal child care arrangements. When a child care subsidy is available to the family, the child care is deemed affordable.

Single parents must participate an average of 30 hours per week in an approved activity. At least 20 hours per week must be in an activity allowed in the Personal Responsibility and Work Opportunity Act of 1996: Work activities can include:

- Unsubsidized employment – an unlimited, paid work activity. Employment may occur in any profit, non-profit, public, or private setting. Wages earned in this activity are not subsidized.
- Work experience – an unlimited, unpaid work activity. Work Experience may occur at any non-profit, public, or for profit organization. Participation in this activity must enhance a participant's employability, offer exploration in a new career, or strengthen their existing work history.
- On-the-job training – a subsidized work activity limited to a maximum of 12 months. The amount of subsidy is limited to no more than 50% of the wages paid to the employee. On-the-job training may occur in any non-profit, for profit, public or private setting. Participation in this activity offers the

opportunity to learn a new trade, in a supportive environment, while transitioning into a regular, unsubsidized employee status.

- Job search and job readiness – provides skills to enhance overall employability. Participation in this activity includes exposure to job-seeking skills, improved job retention; conflict management; goal-setting, and household budgeting.
- Community service – an unlimited, unpaid work activity. Community service is a court-ordered activity that is generally performed in a government or non-profit agency. The length and type of community service is outlined in the court order.
- Vocational educational training – a short-term educational activity that leads to the preparation for a specific vocation. Likely providers of Vocational Educational Training include, but are not limited to: community colleges, post secondary institutions, and non-profit organizations. Participation and support in graduate and post-graduate programs is prohibited.
- Providing child care for someone in community service – an unlimited, unpaid work activity. Providing child care to individuals in Community Service must adhere to established rules and statutes. Participation in this activity provides an excellent venue for individuals desiring to open their own, for-profit, child care operation.
- Completing high school or a GED – a traditional educational activity that leads to a high school diploma or its equivalent.
- Subsidized employment – an employment opportunity in public, private, for-profit, or not-for-profit situations. Counties may include in their plan wage supplementation as described below.
- Job skills training directly related to employment.
- Education directly related to employment.

North Carolina counties may include wage supplementation as a work component in their local plan. This may include cashing-out food stamp benefits, as well as the amount of the Work First Family Assistance payment, and should be used primarily for families in which the adult may be less job ready and difficult to place without the subsidy. The amount of the wage supplement equals the amount of the cash or food stamp benefit received the month prior to the individual becoming employed.

For new applicants, the wage supplement equals the amount of cash or food stamps the family would have been eligible to receive without consideration of the income to be received through the supplemented job. The amount of subsidy will be frozen for the length of the subsidy. Employers will enter into a contract with the local department of social services specifying the conditions of the wage supplementation. Contracts may not exceed 12 months.

Additional work activities that do not meet the federal definition may also be allowed. A worker and a client will use the results of the employability assessment to create the most likely and timely path to self-sufficiency.

ALLOWABLE FEDERAL WORK ACTIVITIES

Parents are required to work. Federal law is very specific about what qualifies as a work activity and what does not. The definition of work activities under Work First is broader than the federal definition. That does not mean that those activities are no longer permitted, but that parents must be engaged in allowable *federal* work activities to count towards the state's participation rate. The state will monitor and direct activities to ensure that required federal participate rates are met.

Federally qualifying activities include: unsubsidized employment; subsidized private or public sector employment; work experience (including refurbishing public housing) if private sector jobs are not available; vocational educational training for a maximum of 12 months (with no more than 20% of all families); on-the-job training; job search and job readiness assistance for no longer than (1) six weeks, or 12 weeks if North Carolina's unemployment rate is greater than 150% of the national unemployment rate, or (2) one week for someone who has been employed for the preceding four weeks; community service work; and child care for someone participating in a community service program.

Other acceptable work activities that do not count toward meeting federal participation rates include: job skills training directly related to employment; education directly related to employment for parents who haven't graduated from high school or earned their general equivalency diploma (GED); and satisfactory attendance at a secondary school or in a course of study leading to a GED for parents who haven't graduated from high school or earned their GED.

Single parents are required to engage in allowable work activities for a minimum average number of hours for at least four weeks of each month. Federal requirements are as follows:

Oct. 1, 1996 to Sept. 30, 1997	20 hours per week
Oct. 1, 1997 to Sept. 30, 1998	20 hours per week
Oct. 1, 1998 to Sept. 30, 1999	25 hours per week
Oct. 1, 1999 and thereafter	30 hours per week

Work First requires parents to work at least 30 hours per week, or work and participate in work activities for 30 hours per week. Parents must spend the minimum required hours shown above in allowable *federal* work activities. For the first three years of the state

plan, hours that parents are required to work above federal requirements may be spent in work activities allowed under Work First but not allowed under the new federal block grant.

Single parents under age 20 are considered to be engaged in work if they maintain satisfactory attendance at secondary school or participate in education related to employment.

Funds *may* be used to contract with (or provide job placement vouchers to) state-approved public and private employment agencies. Funds *may not* be used to subsidize a job when a person has been laid off from the same (or substantially equivalent) job, or if an employer fired or laid off a regular employee to fill the job with a subsidized Work First participant.

SPECIAL ELIGIBILITY CONDITION FOR TWO-PARENT FAMILIES

An adult in a two parent family must participate in a work activity for at least an average of 35 hours per week. A two parent family is not eligible for Work First Family Assistance during any month in which an adult does not participate at least an average of 35 hours per week in an approved activity. At least 30 of the 35 hours must be in allowable federal work activities. Two parent families will receive cash assistance after meeting their work requirement.

APPENDIX C

Eligibility Rules

Families must meet certain eligibility rules in order to receive Work First Family Assistance. The basic eligibility rules are described below.

1. Children must be age 17 or younger.
2. When parents, including biological, adoptive, or step parents, apply for a child or children, they must be included with the child in the Work First Family Assistance case.
3. Certain relatives, or a person with legal custody or guardianship, may apply for assistance for a child but may not be included in the payment. These cases will be considered child-only cases.

   The following relatives qualify to apply for a child: a blood or half blood relative or adoptive relative limited to: brother, sister, grandparent, great-grandparent, great-great-grandparent, uncle or aunt, great-uncle or aunt, great-great-uncle or aunt, nephew, niece, first cousin, stepbrother, stepsister; and spouses of anyone listed above even after the marriage has been terminated by death or divorce.
4. Illegal immigrants are not eligible to receive Work First. However, Work First may be provided to citizens and qualified legal immigrants as defined by P.L. 104-193 Also, North Carolina elects to provide assistance to cover optional immigrant populations as defined in P.L.104-193.
5. A family cap on assistance is in place. This means that a family's Work First Family Assistance check will not increase when a child is born 10 or more months after the family begins receiving assistance. There are some exceptions to the family cap rule: the first born child of a minor who is a dependent child; a child conceived as a result of verifiable rape, sexual assault, or incest; a child when parental custody has been legally transferred; a child no longer able to live with his parent due to the parents' death, incapacity or disability, and the incarceration or institutionalization of a parent for at least three months.
6. Teen parents under age 18, unless emancipated, must meet special requirements.
   - They must stay in school to complete their high school education, or its equivalent. In instances when a teen parent has completed high school or received a GED, or is suspended or expelled from school, the teen parent must participate in an appropriate educational, training, or work activity.
   - They must live with a parent, or in another adult supervised setting approved by the case manager. Family Assistance payments will be made to an adult as a substitute payee, and not to the minor parent.

7. There is a five year lifetime limit on receipt of any federal TANF funds. This means that a family is not eligible for Work First Family Assistance if it contains an adult who has received Work First Family Assistance for 60 cumulative months. The count for the five year lifetime time limit began January 1, 1997. The Department will establish guidelines to ensure the hardship exemptions to this time limit may not be granted for more than 20% of the caseload.
8. In addition to the five year lifetime limit, families who are active in Work First Employment Services are limited to 24 cumulative months of cash assistance. Families may apply for Work First cash assistance after being off assistance for three years. For families who through no fault of their own are unable to support themselves at the end of the 24 month period, month-to-month extensions may be granted. In order to receive an extension, families must have been in full compliance with their Personal Responsibility Contract. Local Boards of Social Services make the determination of whether an extension is granted. The process for families to request an extension is defined in the Work First Manual.
9. Each individual must provide a social security number, or apply for a social security number if he does not have one. Individuals who do not have a social security number and who do not apply for one are not eligible for Work First.
10. Individuals who are temporarily absent from the home may continue to be eligible for Work First as described here. An adult must report to the case manager when a child is absent from the home for 90 consecutive days or longer. A child who is expected to be absent from the home for longer than 90 days is not eligible for Work First Family Assistance unless the child is absent with good cause. *Good cause* includes absences for medical treatment, substance abuse treatment, health care, and educational requirements.
11. The adult must report the child's absence within five days of the date he knew the absence would exceed 90 consecutive days. Failure to report the absence within five days makes the adult ineligible for three months beginning the month after the individual fails to make the report.
12. An adult who is temporarily absent from the home for longer than 90 consecutive days is not eligible for Work First Family Assistance without good cause. Good cause includes absences fro medical treatment, substance abuse treatment and health care.
13. An individual who is convicted of misrepresenting his residence in order to receive Work First (TANF in other states), Medicaid, SSI, or Food Stamps in more than one state or more than one location in North Carolina is ineligible for Work First Family Assistance for ten years beginning the date of conviction.
14. An individual who is incarcerated is not eligible for Work First Family Assistance.
15. A family must apply for Work First Family Assistance in the county of their residence.

16. The family resource/assets that can be readily converted to cash will be counted toward a $3,000 asset limit.

Work First Family Assistance Payment Calculation

The amount of the Work First Family Assistance payment is calculated based on the other income received by the family.

1. To calculate the payment, *all* income of Work First recipients is counted, except the earnings of children and the Earned Income Tax Credit, unless the income is excluded by other law;
2. For unearned income, the actual amount received is the amount counted in calculation of the payment;
3. For earned income, percentages are subtracted from the total monthly gross income as follows:
   - For the first three months each individual has earnings (as described in the Work First Policy Manual), the income is disregarded in full as a job bonus. The 100% job bonus applies when a Work First recipient becomes employed. If an applicant has earnings at the time he applies, he does not receive the 100% job bonus, rather 55% of his gross monthly earnings is excluded. Also, the 100% job bonus is applied the first time a Work First recipient becomes employed, subsequent employment's receive the 55% job bonus;
   - After the three months (as described in the Work First Policy Manual), as a job bonus, 55% of gross monthly earnings is excluded from consideration.
4. Earnings that remain after applying the job bonus are added to any unearned income for the family.
5. The Family Assistance payment is the difference between the total countable income and the payment standard;
6. The payment standard is based on the number of eligible family members:

Number on Work First	1	2	3	4	5	6	7	8
Payment standard	$181	$236	$272	$297	$324	$349	$373	$386
Number on Work First	9	10	11	12	13	14	Each additional	
Payment standard	$406	$430	$448	$473	$496	$521	Add $25	

1. A family remains eligible as long as the result of the payment calculation is ten dollars or more (payments will not be made for less than ten dollars). Sanctions may result in

active cases with no payment if the amount of the sanction would result in a payment of less than $10.

2. For adults who would otherwise be required to be included in the payment but who are ineligible, income is counted as if they were included in the payment.

For the month of application, Work First Family Assistance payments are prorated from the date of application with the date of application being day one. Otherwise, payments are made for the full month.

Eligibility Reviews

Except for child-only cases, every three months the case manager will review of progress being made on the terms of the Personal Responsibility Contract. Families that do not participate in the three month review will have their Work First assistance stopped. During this review, income will be assessed and projected for the next three month eligibility period, and the new payment amount will be incorporated into the update to the contract. This payment amount will be received until the next three month review is completed. Income and asset changes will not be reacted to during the three month certification period.

Child-only cases will be reviewed initially within six months of the date of application. This review will be done to evaluate the child's living arrangement to ensure that a more permanent placement is not available or suitable, that placement with the child's parent is not possible or appropriate, and to gather detailed information about the child's parents to facilitate location. If it is determined by the local DSS that a more suitable living arrangement is needed the family will not receive Work First Family Assistance. After this initial six month review, eligibility for child-only cases will be reviewed at a minimum every 12 months. Cases with unearned income will be subject to reporting requirements as described in the Work First Manual.

Diversion Assistance

Under certain circumstances, a one-time short term benefit package is more appropriate in meeting the needs of Work First applicants. Diversion Assistance may be provided when families are in need of short term assistance to enable them to get or keep a job or to enable families to access or begin receiving other financial assistance that will help meet their needs. In these circumstances, Work First Diversion may provide:

1. A one-time lump sum payment not to exceed three months of Family Assistance benefits (the payment is not income-based, but rather is need-based up to the maximum of three months of Family Assistance);
2. Medicaid and food stamps for the months in the Diversion period;
3. Employment services;
4. Eligibility for child care; and
5. Referrals to child support and other agency resources.

In order to be eligible for Diversion Assistance, families must meet the same eligibility requirements as for Family Assistance, including the income and asset limits. Families that receive Benefit Diversion and subsequently apply for Work First within 36 months are required to repay the cash portion of their package.

Work First Program

Proposed Business Plan and Reinvestment Strategy

Temporary Assistance for Needy Families

State Fiscal Years 1997 - 2002

NC Department Of Human Resources

March 4, 1997

Summary of Projected Work First Funding and Expenditures
SFY 96-97 through 2001-2002

Based on Estimates of Welfare Reform Impacts and Governor's Goal 2000
Dollars in Millions

PROGRAM AREA	STATE FISCAL YEAR 1996-97	1997-98	1998-99	1999-200	2000-01	2001-02	TOTAL SFY 1996-2002
Estimated Expenditures:							
Work First Families Subject to Work Requirements	$212.2	$190.0	$166.4	$143.3	$120.9	$118.7	**$951.6**
Child Only Families & Families with Child Under Age 1	114.2	117.9	108.9	108.5	104.0	99.8	**653.4**
Work First Diversion	0.2	1.5	2.0	2.5	3.0	3.5	**12.6**
Child Protective Services, MH/SA Services - Emergency Grants	104.6	104.6	104.6	104.6	104.6	104.6	**627.5**
County Eligibility Determination/Case Workers	43.0	39.6	36.9	35.8	34.7	33.7	**223.7**
County Administration	15.1	13.9	12.9	12.5	12.2	11.8	**78.4**
State Management	10.4	10.2	10.0	9.8	9.6	9.4	**59.4**
Child Support Enforcement Operations	0.0	0.4	0.4	2.1	2.1	2.1	**7.0**
Automation	0.0	16.9	11.7	14.3	11.8	8.1	**62.8**
TOTAL Estimated Expenditures:	**$499.7**	**$494.9**	**$454.0**	**$433.4**	**$402.9**	**$391.5**	**$2,676.4**
Available Funds:							
Federal Block Grant	$295.7	$302.2	$302.2	$302.2	$302.2	$302.2	**$1,806.9**
Federal Supplemental Funds	0.0	6.5	15.4	24.5	26.9	6.7	**79.9**
State	109.0	109.0	109.0	109.0	109.0	109.0	**654.0**
Local	103.9	103.9	103.9	103.9	103.9	103.9	**623.3**
Carry Forward from Prior Year	0.0	8.7	0.6	1.0	1.9	10.5	**22.6**
TOTAL Available Funds:	**$508.6**	**$530.3**	**$531.1**	**$540.6**	**$543.9**	**$532.3**	**$3,186.8**
DIFFERENCE:	**$8.9**	**$35.4**	**$77.1**	**$107.1**	**$141.0**	**$140.8**	**$510.3**
Reinvestment Needs							
Transfer to Division of Child Development:							
Increased Subsidy to Accomodate Work First Participants	$0.0	$3.8	$41.8	$71.2	$96.5	$104.5	**$317.7**
Provide funds for Smart Start Expansion	0.0	22.9	31.5	31.5	31.5	31.5	**148.9**
Provide funds for other Expansion Priorities	0.0	5.0	0.0	0.0	0.0	0.0	**5.0**
Maternal Outreach Program	0.0	0.4	0.4	0.4	0.4	0.4	**2.0**
Substance Abuse Treatment Funds	0.0	1.0	1.0	1.0	1.0	1.0	**5.0**
Community College Collaboration	0.0	0.5	0.5	0.5	0.5	0.5	**2.5**
Evaluation	0.0	0.7	0.7	0.7	0.7	0.7	**3.5**
Staff Development	0.3	0.5	0.3	0.0	0.0	0.0	**1.0**
Carry-Forward to Subsequent Year	8.7	0.6	1.0	1.9	10.5	0.0	**22.6**
TOTAL Reinvestment Needs	**$8.9**	**$35.4**	**$77.1**	**$107.1**	**$141.0**	**$138.6**	**$508.1**
Difference	**($0.0)**	**$0.0**	**($0.0)**	**($0.0)**	**$0.0**	**$2.2**	**$2.2**

Summary of Projected Work First Participants
and Cost Per Participant
SFY 96-97 through 2001-2002
Based on Estimates of Welfare Refom Impacts and Governor's 100% Work Participation Goal

I. Estimated Participants:

PROGRAM AREA	STATE FISCAL YEAR 1996-97	1997-98	1998-99	1999-2000	2000-01	2001-02
Total Work First Participants	104,800	100,192	92,417	89,096	85,572	83,361
Less:Child Only Families & Families with Child Under Age 1	-41,200	-42,820	-39,594	-39,465	-37,866	-36,319
Work First Participants Subject to Work Requirements	63,600	57,372	52,822	49,631	47,706	47,042
Unsubdized Employment	8,000	11,000	17,000	20,000	26,706	26,542
Subsidized Employment	0	500	1,500	2,500	4,000	4,000
Training and Support Services	31,000	31,000	28,500	22,500	17,000	16,500
Not Participating in work or training	24,600	14,872	5,822	4,631	0	0
Work First Diversion	200	1,500	2,000	2,500	3,000	3,500
Child Protective Services, MH/SA Services - Emergency Grants	41,786	41,786	41,786	41,786	41,786	41,786

II. Estimated Annual Cost Per Participant:

PROGRAM AREA	STATE FISCAL YEAR 1996-97	1997-98	1998-99	1999-2000	2000-01	2001-02
Total Work First Participants	$3,115	$3,074	$2,980	$2,826	$2,628	$2,620
Less:Child Only Families & Families with Child Under Age 1	2,772	2,772	2,772	2,772	2,772	2,772
Work First Participants Subject to Work Requirements	3,337	3,329	3,169	2,905	2,551	2,540
Unsubdized Employment	1,488	1,488	1,488	1,488	1,488	1,488
Subsidized Employment	0	2,488	2,488	2,488	2,488	2,488
Training and Support Services	4,262	4,262	4,288	4,239	4,237	4,245
Not Participating in work or training	2,772	2,772	2,772	2,772	0	0
Work First Diversion	1,000	1,000	1,000	1,000	1,000	1,000
Child Protective Services, MH/SA Services - Emergency Grants	2,503	2,503	2,503	2,503	2,503	2,503

Work First Business Plan Assumptions:

Overall:

- Changes in how counties charge the cost of taking applications, making re-determinations and changes to cases effective July 1, 1997 which causes additional cost to be allocated to Medicaid in FY 98 and to Medicaid and Food Stamps in FY 99 and beyond. This change results in $23,254,768 in savings over 5 years.

- An additional 3% decrease per year in County eligibility determination/case management and overhead expense, resulting in a savings of $23,226,587 over 5 years.

- A decrease of 2% per year in State administration expense, a cost reduction of $3,040,011.

- A decrease in cash assistance cost of .65% in FY 98, escalating to .90% in FY 2002 as a result of decreased fraud accruing from the automation improvements. This is a cost reduction of $8,766,987 over 5 years.

These additional savings assumptions provide the funding necessary for the automation plan and allow funds to be included in the plan for Community College Collaboration, Substance Abuse Treatment, DSS staff development expenses related to changing county business practices, and evaluation -- while keeping the transfer to DCD for purchase of day care subsidy for Work First participants at the level anticipated by DHR & OSBM when the decision was made to transfer TANF funds to DCD to provide for Smart Start expansion.

Automation:

DIRM's revised automation plan now totals $148,789,001, including Child Support Enforcement's welfare reform automation projects. This costs out to $62,811,181 which must be covered by the Work First plan.

This amount assumes the following:

- $9,745,110 will be available to NC in enhanced 75% FFP for Medicaid projects related to "de-linking" AFDC and Medicaid eligibility. This amount is computed from the Medicaid share of the "Service Delivery Functionality" piece of the DIRM plan.

- Counties will cover 50% of the non-federal share of the cost of hardware and software purchased for them as part of the automation plan. This amount, $4,670,975, is over and above the county funds included in the Business Plan. It has been computed based upon an assumption that 2/3 of the cost of the LAN/WAN item in the DIRM plan relates to equipment purchased for counties.

- Child Support funds are not included in the allocation of the LAN/WAN cost, since IVD is currently paying for equipment related to ACTS and that funding source cannot also participate in this purchase.

Work First Program

Proposed Business Plan and Reinvestment Strategy

Child Care

State Fiscal Years 1997 - 2002

Summary of Projected Child Care Funding and Expenditures
SFY 96-97 through 2001-2002

Based on Estimates of Welfare Reform Impacts and Governor's Goal 2000

Dollars in Millions

PROGRAM AREA	STATE FISCAL YEAR 1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	SFY 1997-00
Estimated Expenditures							
Work First Related (Incl. Child Only)	$71.1	$83.7	$116.3	$156.0	$189.5	$200.2	$816.8
Welfare Diversion	95.6	110.6	131.6	154.0	177.7	202.9	872.6
Child Protective and Welfare Services	13.6	13.3	13.8	14.3	14.8	15.3	85.2
Quality, Availability, Services Support	13.3	13.3	13.3	13.3	13.3	13.3	79.8
Administration	5.8	5.8	5.9	6.2	6.4	6.6	36.7
TOTAL Estimated Expenditures:	$199.5	$226.8	$281.0	$343.7	$401.8	$438.3	$1,891.1
Available Funds:							
Federal	$124.0	$131.9	$134.4	$138.9	$144.1	$148.2	$821.6
State (Non-Smart Start)	61.7	65.4	65.4	65.4	65.4	65.4	389.0
Smart Start	18.8	21.5	21.5	21.5	21.5	21.5	126.3
Smart Start Expansion	0.0	4.2	17.8	36.1	63.5	75.1	196.7
Transfer from TANF	0.0	3.8	41.8	71.2	96.5	104.5	317.7
TOTAL Available Funds:	$204.6	$226.8	$281.0	$333.1	$391.0	$414.7	$1,851.2
DIFFERENCE:	$5.1	$0.0	$0.0	($10.6)	($10.8)	($23.6)	($39.8)

Notes: 1) Estimated Expenditures include costs to subsidize children currently being served under federal CCDBG, federal Child Care Development Fund and SSBG, as well as children served under state subsidy funds and Smart Start. Anticipated additional demand for care in SFY 1996-97 through SFY 01-02 includes children expected to demand care due to Work First requirements, children eligible for care that are waiting to be served and children anticipated to demand care under new income eligibility limits.

2) Available Federal Funds assume North Carolina receives all mandatory (formerly FSA), matching (new), and discretionary (formerly CCDBG) funds authorized by the welfare reform bill. Additional funds may be reallocated to North Carolina if other states do not fully utilize their matching funds allocations. Also assumes continuation of current SSBG.

3) Available State Funds include $45.0 million in FSA match, $20.4 million in Non-FSA/Non-Welfare Reform and 30% of available Smart Start direct services funds (assumes expansion of Smart Start).

Summary of Projected Child Care Recipients Serv and Cost Per Recipient SFY 96-97 through 2001-2002

Based on Estimates of Welfare Reform Impacts and Governor's Goal 2000

I. Estimated Recipients

Program Area	STATE FISCAL YEAR 1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Work First Related (Incl. Child Only Cases)	50,453	60,054	80,589	104,472	122,625	125,131
Welfare Diversion	78,692	94,107	109,523	115,071	130,687	135,292
Child Protective and Welfare Services	10,888	10,888	10,888	10,888	10,888	10,888
Total Children Served	**140,033**	**165,049**	**201,000**	**230,431**	**264,199**	**271,312**

NOTES: 1) Projected number of Work First child care recipients are based upon meeting the Work First Goal 2000 requirements.

2) The Welfare diversion population includes children currently served and projected to be served who are at risk for welfare dependency. This population includes; children previously served with Non-FSA funds, children served with Smart Start funds; children who are waiting for child care; and children who are newly income eligible for subsidized child care.

3) Child Protective and Welfare Services include children receiving subsidized child care for a reason specific to the child. This group includes children in foster care, child protective services, child welfare services and children in developmental care. Children in this category are not eligible for federal TANF funds.

II. Estimated Annual Cost Per Recipient

Program Area	STATE FISCAL YEAR 1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Work First Related (Incl. Child Only Cases)	$1,410	$1,394	$1,443	$1,493	$1,546	$1,600
Welfare Diversion	$1,215	$1,176	$1,202	$1,338	$1,360	$1,500
Child Protective and Welfare Services	$1,253	$1,225	$1,268	$1,313	$1,359	$1,406

NOTES: Average costs have been adjusted to reflect expected changes in payment rates due legislation passed in the 1996 short session. Changes made to the subsidized child care program include; revising the parent fee schedule; making differential payments to providers; and increasing the county market rate for small counties to the statewide rate.

North Carolina Child Care Program
Breakdown of Child[illegible] Expected to Demand Care

Total Eligible Children Not Currently Served	**209,100**
Number of Children Under 47% State Median Income	124,169
Number of Children Between 47% - 75% State Median Income	84,931
Total Of Eligible Unserved Population Expected to Demand Care	**155,738**
Number of Children Under 47% State Median Income	92,481
Number of Children Between 47% - 75% State Median Income	63,257
Total Current Number of Children Served	165,000
Total Children Expected to Demand Care	**320,738**
Less Children Served through Head Start/Chapter I	28,947
Net Children Expected to Demand Care	**291,791**

NOTES: 1) Assumes that 74.48% of unserved eligible children will demand care. This percentage represents historical propensity to demand child care in the AFDC population.
2) For purposes of estimating costs to serve children through DCD, children served with Head Start and Chapter I funding are removed from totals.

		SFY					
Total Expected Demand for Child Care (Assuming Phase-In)	**95-96**	**96-97**	**97-98**	**98-99**	**99-00**	**00-01**	**01-02**
Work First Related (Including Child Only Cases)	61,889	50,453	60,054	80,589	104,472	122,625	125,131
Welfare Diversion (Under 47% of State Median Income)	63,276	68,149	73,022	77,895	82,768	87,641	92,515
Child Protective and Welfare Services	10,888	10,888	10,888	10,888	10,888	10,888	10,888
Welfare Diversion (47% - 75% of State Median Income)	0	10,543	21,086	31,628	42,171	52,714	63,257
Total Demand for Care	**136,053**	**140,033**	**165,049**	**201,000**	**240,300**	**273,868**	**291,791**

NOTES: 1) Assumes a constant annual increase in the number of children served from current levels of service to reach full demand in SFY 2001-02. This phase in is included to estimate the effects of a gradual influx of new populations into care. Additionally it will take time for child care capacities to grow to accommodate these new levels of demand.

Children Served with Available Funds	**96-97**	**97-98**	**98-99**	**99-00**	**00-01**	**01-02**
Work First Related (Including Child Only Cases)	50,453	60,054	80,589	104,472	122,625	125,131
- Percentage of Work First Demand Served	100%	100%	100%	100%	100%	100%
Welfare Diversion (Under 47% of State Median Inc.)	68,149	73,022	77,895	82,768	87,641	92,515
- Percentage of Welfare Diversion Demand Served	100%	100%	100%	100%	100%	100%
Child Protective and Welfare Services	10,888	10,888	10,888	10,888	10,888	10,888
- Percentage of Child Protective and Welfare Services Served	100%	100%	100%	100%	100%	100%
Welfare Diversion (47% - 75% of State Median Inc.)	10,543	21,086	31,628	32,302	43,045	42,778
- Percentage of Newly Eligible Demand Served	100%	100%	100%	77%	82%	68%
Total Costs	**140,033**	**165,049**	**201,000**	**230,431**	**264,199**	**271,312**
- Percentage of Total Demand Served	**100%**	**100%**	**100%**	**96%**	**96%**	**93%**

NOTES: Assumes children are served in the following priority: 1) Work First Related 2) Welfare Diversion - Under 47% State Median Income 3) Child Protective and Welfare Services 4) Welfare Diversion - 47%-75%State Median Income.

Work First Program

Proposed Business Plan and Reinvestment Strategy

Automation

State Fiscal Years 1997-2002

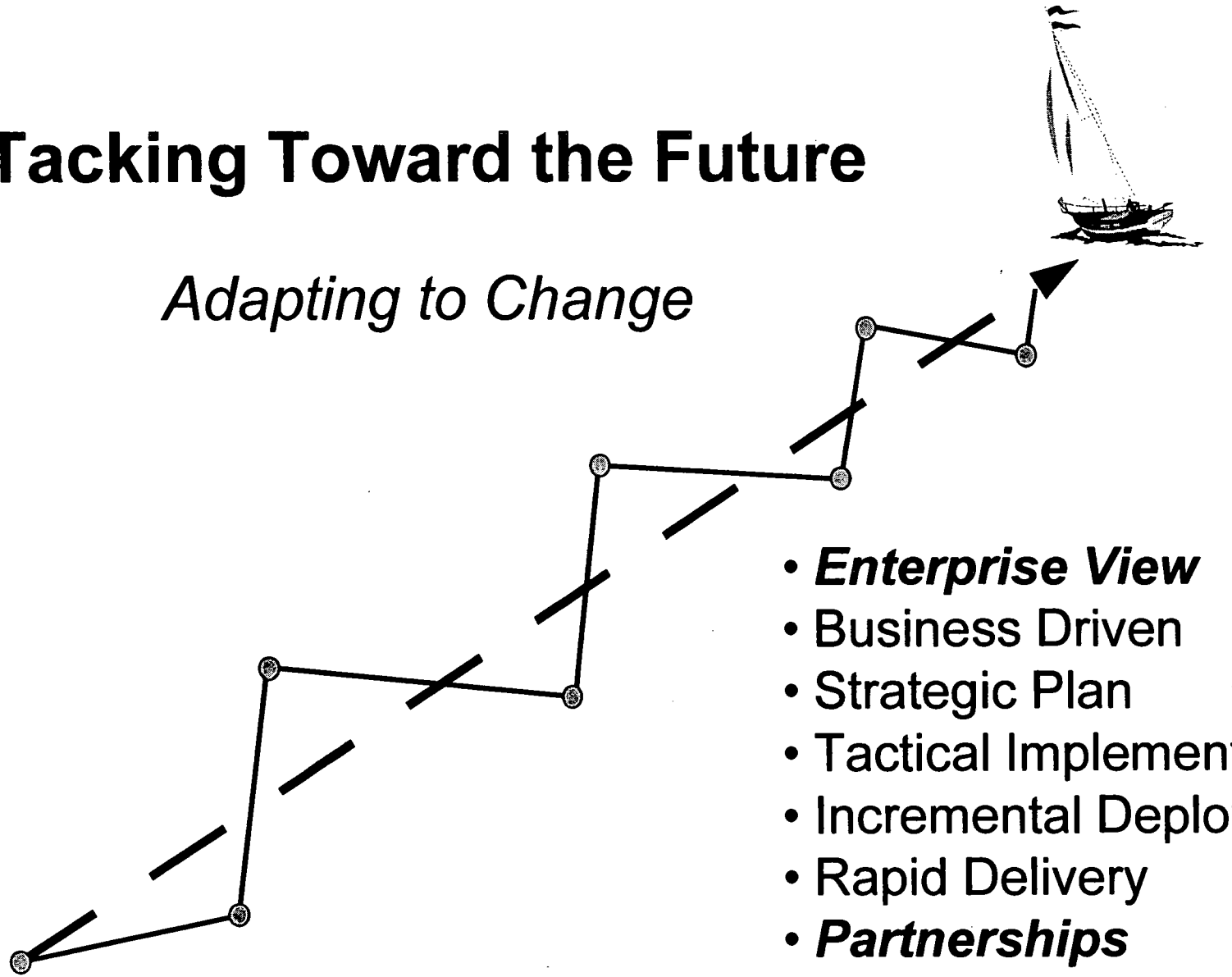
Pressures Driving Change

- Welfare Reform
- Block Grants
- PPB
- Outcome Measures
- Program Accountability
- Managed Care
- Citizen Demands
- Client / Family Focus
- Declining Revenues
- Possible External Reorg

Requiring DHR To Take An Enterprise View

Tacking Toward the Future

Adapting to Change

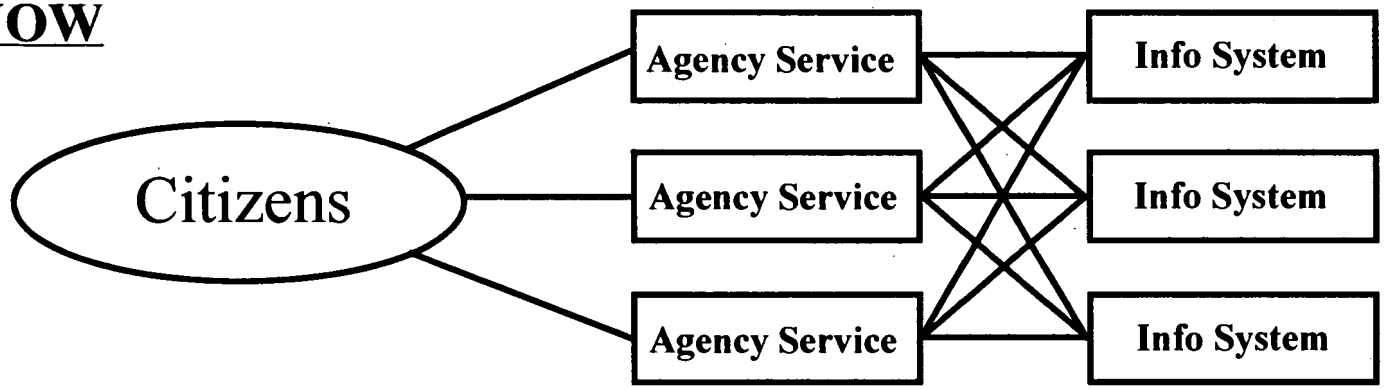


- ***Enterprise View***
- Business Driven
- Strategic Plan
- Tactical Implementation
- Incremental Deployment
- Rapid Delivery
- ***Partnerships***

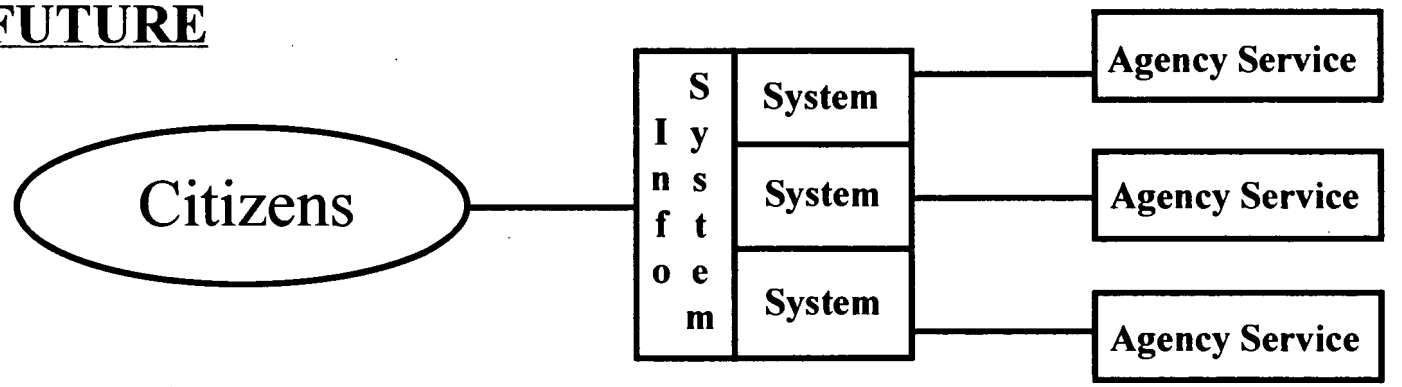
"Think Global, Act Local"

Reinventing How Government Serves the Citizens

NOW

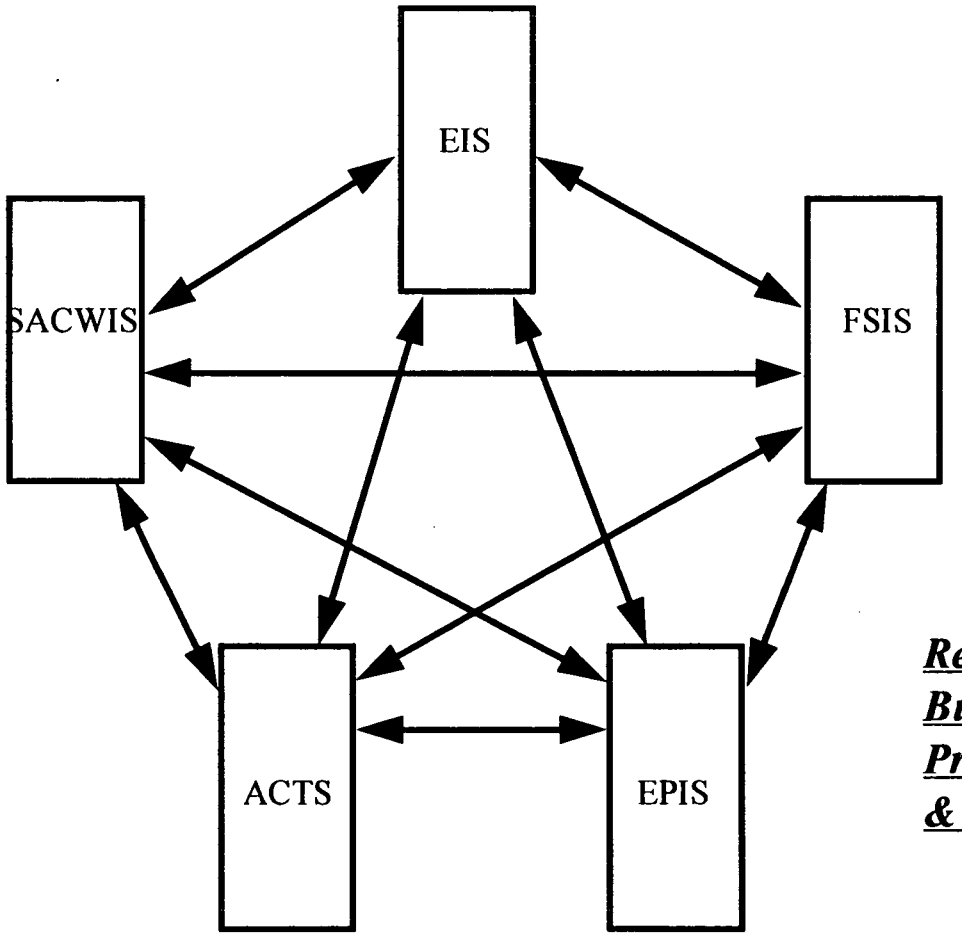


FUTURE



Technology Integrated Service Delivery

Today's Non-Adaptive Systems



Duplicated Client/Family Information

Replicated Business Processes & Systems

Poor Return on IT Investment

Silo Systems Supporting Independent Programs

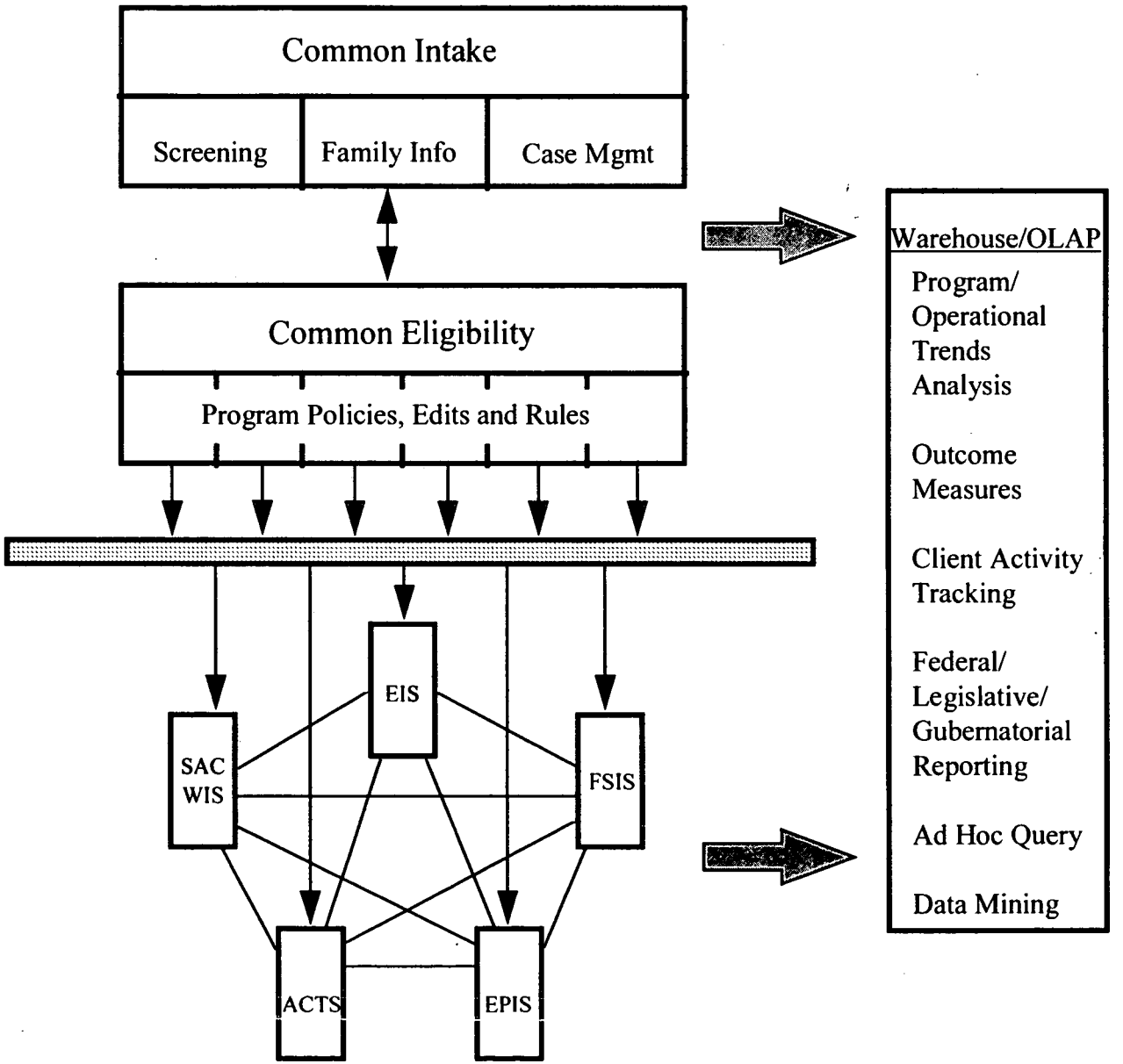
Transition Plan

Workflow, Interview, Unique ID

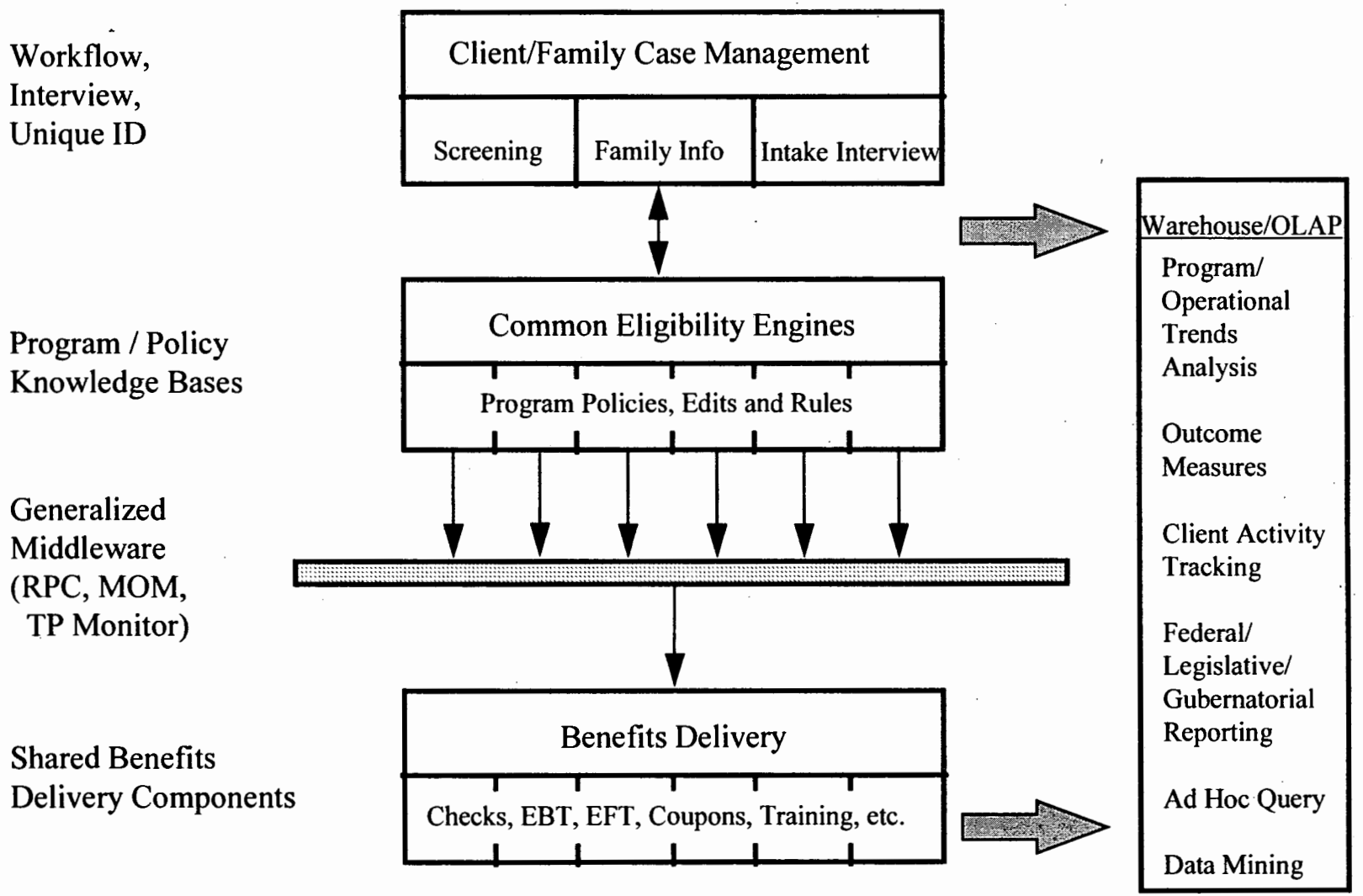
AI Knowledge Engines

Interface Engine Middleware

Legacy Benefits Delivery Systems



Enterprise Adaptive Systems



Shared Components Supporting Integrated, Client Focused Service Delivery

Adaptive Systems

Implementations of enterprise-wide architecture which facilitates rapid change in the business and administrative processes of the organization.

Enterprise Architecture

Provides a cross-functional framework that defines the business processes, information, and technical infrastructure of DHR across divisions and programs.

Data Warehouse

A repository of information that crosses program and agency boundaries which enables program analysis, outcome measurement, client activity tracking, fraud audit, trends analysis, federal and other management reporting.

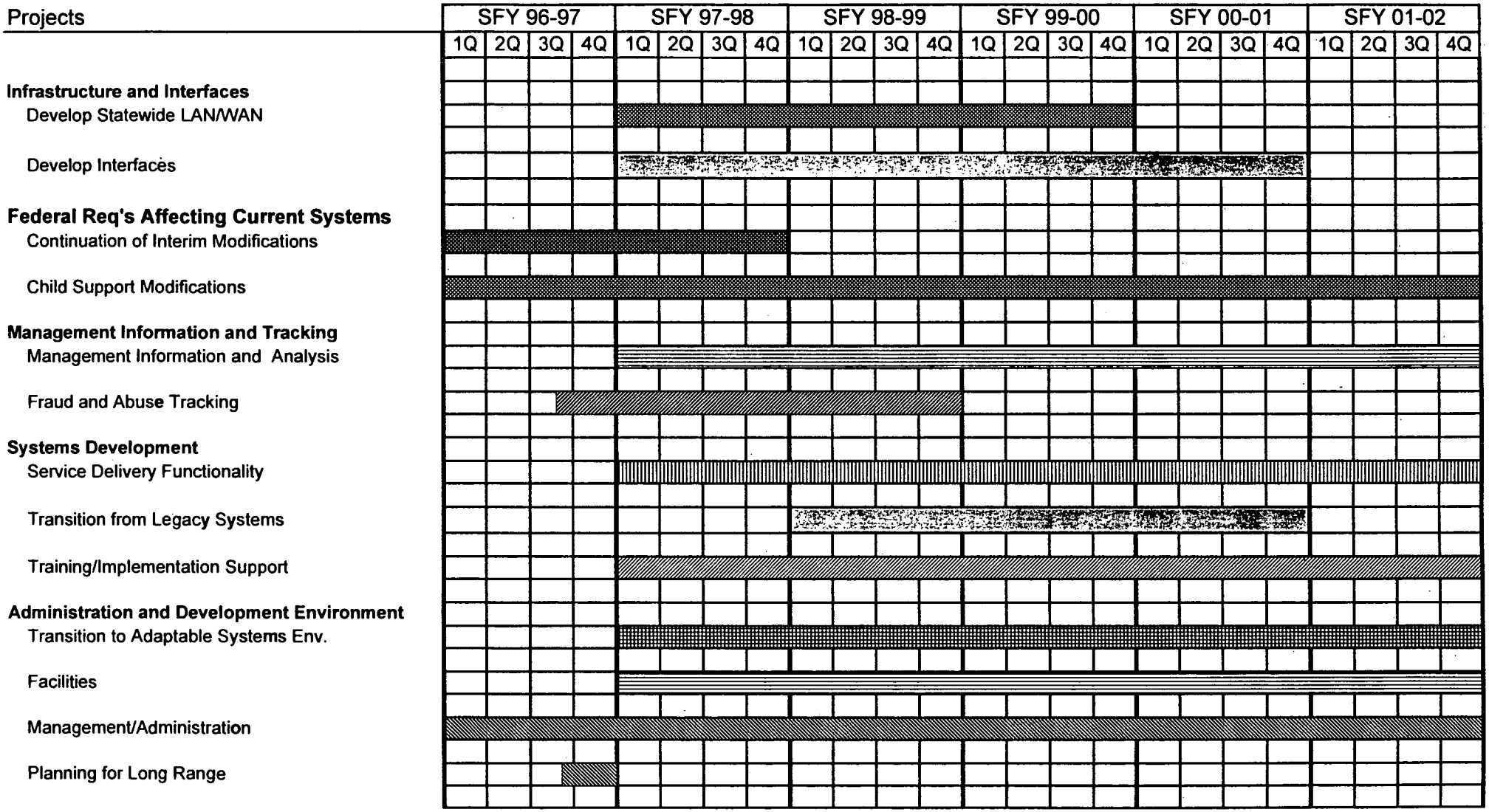
APMS

Application Portfolio Management System treats business systems and information as valuable enterprise assets and, as such, provides a structured method for managing the creation, deployment, use, and eventual replacement or retirement of them.

DHR AUTOMATION REINVESTMENT COSTS FOR WELFARE REFORM

Infrastructure and Interfaces	**$36,000,000**
✓ Deploy statewide LAN/WAN environment	
✓ Develop interfaces to external partners	
Federal Requirements Affecting Current Systems	**$31,839,001**
✓ Implement minimal modifications to current systems	
✓ Implement Child Support modifications and new functions	
Management Information and Tracking	**$14,500,000**
✓ Provide Data Warehouse for statistical analysis, outcome measures and local/state/federal reporting	
✓ Provide fraud and abuse tracking	
Systems Development	**$52,750,000**
✓ Develop and deploy new Service Delivery Model	
✓ Provide for office readiness	
Administration and Development Environment	**$13,700,000**
✓ Acquire development tools and associated training	
✓ Provide facilities for development staff	
✓ Provide administration of the Reinvestment Plan	
TOTAL	**$148,789,001**

Welfare Reform Reinvestment Plan Timeline



HIGH LEVEL WELFARE REFORM BUDGET REINVESTMENT

Projects	SFY 96-97		SFY 97-98		SFY 98-99		SFY 99-00		SFY 00-01		SFY 01-02		Five Year Totals	
	One Time	Recurring	One Time	Recurring	One Time	Recurring	One Time	Recurring	One Time	Recurring	One Time	Recurring	One Time	Recurring
Infrastructure and Interfaces														
Develop Statewide LAN/WAN			$13,500,000		$5,500,000		$11,000,000						$30,000,000	
Develop Interfaces			$1,000,000		$1,000,000		$3,000,000		$1,000,000				$6,000,000	
Federal Req's Affecting Current Systems														
Continuation of Interim Modifications	$1,900,000		$2,965,006										$2,965,006	
Child Support Modifications	$886,050		$8,130,950		$9,003,045		$4,114,000		$3,753,600		$3,872,400		$28,873,995	
Management Information and Tracking														
Management Information and Analysis														
Warehouse Functionality			$1,000,000		$1,000,000		$2,000,000		$2,000,000				$6,000,000	
UNIX Platform			$500,000		$500,000		$500,000		$500,000		$500,000		$2,500,000	
Analysis Tools			$1,000,000			$150,000		$150,000		$150,000		$150,000	$1,000,000	$600,000
Training			$500,000		$500,000		$500,000			$100,000		$100,000	$1,500,000	$200,000
Fraud and Abuse Tracking	$250,000		$1,700,000		$1,000,000								$2,700,000	
Systems Development														
Service Delivery Functionality			$5,000,000		$4,000,000		$5,000,000		$3,300,000	$6,000,000		$11,000,000	$17,300,000	$17,000,000
Transition from Legacy Systems					$450,000		$2,000,000		$6,000,000				$8,450,000	
Training/Implementation Support			$1,000,000		$2,000,000		$3,000,000		$2,000,000		$2,000,000		$10,000,000	
Administration & Development Environment														
Transition to Adaptable System Environment														
Development & Deployment Environment			$1,300,000		$1,300,000								$2,600,000	
Software License Renewal						$200,000		$400,000		$400,000		$400,000		$1,400,000
New Staff				$250,000		$450,000		$650,000		$650,000		$650,000		$2,650,000
Training			$500,000		$500,000		$500,000		$200,000			$100,000	$1,700,000	$100,000
Facilities			$500,000	$200,000		$200,000		$200,000		$200,000		$200,000	$500,000	$1,000,000
Management/Administration		$200,000		$750,000		$750,000		$750,000		$750,000		$750,000		$3,750,000
Planning for Long Range	$250,000													
One Time Totals	$3,286,050		$38,595,956		$26,753,045		$31,614,000		$18,753,600		$6,372,400		$122,089,001	
Recurring Totals		$200,000		$1,200,000		$1,750,000		$2,150,000		$8,250,000		$13,350,000		$26,700,000
Yearly Totals (One time + Recurring)		$3,486,050		$39,795,956		$28,503,045		$33,764,000		$27,003,600		$19,722,400		$148,789,001

GRAND TOTAL SUMMARY **$148,789,001**

Grant	Allocated Dollars	FFP	Federal Share	State Share
TANF	$5,612,202	100.00%	$5,612,202	$0
SA	$1,189,730	0.00%	$0	$1,189,730
FC	$479,121	50.00%	$239,562	$239,559
Adoption	$285,244	50.00%	$142,622	$142,622
Medicaid @ 75%	$12,993,480	75.00%	$9,745,110	$3,248,370
Medicaid @ 50%	$34,656,925	50.00%	$17,328,463	$17,328,462
Smartstart	$700,230	0.00%	$0	$700,230
Sub. Child Care	$4,964,092	60.49%	$3,002,779	$1,961,313
Energy	$1,970,734	100.00%	$1,970,734	$0
Food Stamps	$36,065,377	50.00%	$18,032,690	$18,032,687
Refugee	$110,347	100.00%	$110,347	($1)
State	$35,141	0.00%	$0	$35,141
Title XX	$998	90.00%	$898	$100
JOBS	$250,000	90.00%	$225,000	$25,000
SSBG	$13,369	75.00%	$10,027	$3,342
Child Welfare	$87,583	75.00%	$65,687	$21,896
Independent Living	$341	100.00%	$341	$0
Job Corps	$158	100.00%	$158	$0
CWS - Fam. Pres.	$49	100.00%	$49	$0
Child Support @ 80%	$295,350	80.00%	$236,280	$59,070
Child Support @ 66%	$49,078,532	66.00%	$32,391,832	$16,686,700
Total	$148,789,001		$89,114,781	$59,674,220

County Equipment = 2/3 of LAN/WAN	
Non-Federal Share of LAN/WAN =	14,012,925
2/3 of Non-Federal Share =	9,341,950
County 1/2 of Non-Federal Share on County Equipment	4,670,975

TANF PLAN Amounts:

Non-Federal Share from Summary	59,674,220
TANF Share from Summary	5,612,202
Energy Share from Summary	1,970,734
JOBS Share from Summary	225,000
Less: County share of equipment	(4,670,975)
Total for TANF Plan	**62,811,181**

Benefits of Reinvestment in Automation for Welfare Reform

Automation	Benefits
Infrastructure and Interfaces Develop Statewide LAN/WAN Develop Interfaces to external partners	Provide communications, enhanced productivity, and data sharing capability for state, local and community agencies
Federal Requirements Affecting Current Systems Continue interim modifications to support Welfare Reform plan and to meet federal reporting requirements. Child Support Modifications	Meet Work First Family Assistance objectives, Maintain TANF allocation, Meet new federal reporting requirements for Child Support, avoid penalties. Enable faster parent locate service nationally
Management Information and Tracking Management Information and Analysis Fraud and Abuse Tracking National Tracking of TANF Time Limits	Capability to access information on program utilization, client outcomes, trends. Improved management decision making. Enable fraud detection for multiple programs, and increased recoupments.
Systems Development Service Delivery Functionality Transition from Legacy Systems Training/Implementation Support	Enhance productivity, streamline processes, eliminate redundancies, improve data integrity across systems, coordinate services among agencies. Reduce risks in modifying legacy systems, and reduce operational costs.
Administration and Development Environment Transition to Adaptable Systems Environment Management/Administration, Planning for Long Range	Enable model-based component development Ensure adequate resources to achieve results

59a

I. Background

A. Current Situation

Six major systems support welfare-related programs. All are mainframe based systems. Several were built in the early 1980s and modified throughout the past two decades. Total number of system users is approximately 6,000 with many others accessing data in one or more system. The cost of maintaining and operating the Welfare systems presently costs the state $9.3 million annually.

Each system supports one or more programs, and has policy, user support, system support mechanisms in place.

A family may currently apply for assistance or services from multiple program areas, such as day care, cash assistance, job training and placement, food stamps, and child support. To access services from multiple programs requires separate interviews, which may take several hours. Families must provide largely the same personal information repeatedly. Agency information sharing or coordination of services is minimal.

B. Deficiencies

1. Some of the current systems are 15 years old, and have exceeded their useful life expectancy(7-8 years).
2. Missing Functionality
   a. Limited coordination of cases between programs, does not support the family focus
   b. Lacks data to evaluate program effectiveness/outcome measures
   c. Lacks demographic and case data (1/3 electronic; 1/3 paper; 1/3 uncollected) to comply with federal requirements
   d. Limited hours of systems availability (7:30 am- 5:30 pm) do not facilitate access for employed citizens)
   e. Lacks caseworker productivity tools necessitating separate investments (e.g. word processing)
   f. Lacks automation to support complex policies (e.g. eligibility rules are understood by caseworkers, when they leave knowledge goes with them)
3. System Integrity - Age of system coupled with years of modification has weakened the integrity of documentation and the structure of the system making future modifications difficult and increasingly risky.
4. Data Integrity - Redundant data collection; limited verification of accuracy; diluted ownership and inconsistent collection techniques
5. Outdated System Architecture - mainframe vs. client-server
6. Increasingly less fit with the organizational structure and business requirements resulting in manual work outside the system.

C. Changing Business Environment

Work First substantially revised the role that the county caseworker plays in supporting families. In addition to the administrative functions presently handled, caseworkers are also expected to serve as:

1. Family case managers
2. Resource referral agents
3. Assessment counselors (needs, job readiness, etc.)
4. Community liaisons (e.g. employers)
5. Negotiators of the Personal Responsibility Contract

II. Proposed Environment

To effectively support Welfare Reform and the developing role of the family case worker current systems must be replaced with an adaptive model which supports client -focused service delivery.

A. Benefits

IMPACT	QUALITATIVE BENEFITS	TANGIBLE BENEFITS
Automation of Business Functions:		
Streamlined and simplified intake, screening, eligibility, update and redetermination processing.	Eliminates redundancies in data and processes; enables service integration; shifts focus from production of work products to the accomplishment of goals.	Time savings through an estimated reduction in the intake process by 25%, processing by 25% and re-determination by 33%.
Case management tools	Capability to track case activity, manage workflow and monitor a family's progress.	Time savings enable a 25% increase in caseload management capability. Enforcement of Personal Responsibility Contract with the application of monetary sanctions when not honored.
Electronic data sharing to assist with resource referral and verification processes.		24 min. per day per case manager and 2 hrs. per day per clerk.
Use of rule-based decision logic to determine eligibility and calculate benefits increases the accuracy of program administration.	Reduced need for case managers to know detail of program policy reduces learning curve and promotes consistent interpretation and application of program policy.	Improved staff retention rate and increased accuracy in benefits. An estimated 45% of present day recoupments are attributable to agency errors. Automation is expected to reduce the error rate by at least 60%.
Networked PCs To Increase Office Productivity:		
Case managers and support staff will have access to word processing, e-mail, calendars/schedulers, spreadsheets and electronic forms libraries	Improved agency communications result in more efficient use of resources, improved quality of work products, less paper and reduced filing.	84.5 min. per worker per day TBD-Savings in the form of reduced printing, supply, storage and obsolescence of paper forms.

IMPACT	QUALITATIVE BENEFITS	TANGIBLE BENEFITS
Program Effectiveness:		
Improved collection and management of data.	Flexible reporting and query capability. Capacity to access data for individual, case, aggregate, geographic or time perspective. Reduces duplicate data collection by integrating program administration.	Allows on-going assessment of program effectiveness, enabling NC to qualify for federal incentives and bonuses. Meets extensive federal reporting requirements and avoids sanctions in excess of $12 million annually.
National new hire directory will promptly identify employment changes of absentee parents.		Boosts overall collection of child support and minimizes amount of time spent on income assistance programs.
Increased fraud detection and prevention capability.		Reduces cost of overpayment collection efforts and decreases cash assistance outlays by $8.7 million over 5 years.
System Efficiencies:		
Systems will be component-based, enabling code reuse and shorter modification cycles.	Mitigates the risk of legacy system modification and potential system failure. More efficient use of technical staff and ability to implement change rapidly.	TBD - Reduced modification and development costs.
System will integrate user support functions (on-line help screens, training, help desk, etc.)	Reduces impact of turnover and re-training efforts.	Cost effective means of supporting a large and changing user base.
Integrated system with expanded access and hours of systems availability.	Supports the concept of employed, self-sufficient families/citizens by providing access beyond the 8-5 workday.	Saves families time in application, and in providing update information to the agency.
Migration from independent mainframe systems to Local Area Network (LAN).	Enables local flexibility in program administration and operations.	Increased diagnostic capability minimizes down time. Reduction in staffing requirements, travel time and cost.

B. Risk Factors

1. Risks associated with implementation of this plan

Risk Factor	Risk Mitigation
Management:	
Business approach is undergoing revision concurrently with changes to supporting systems.	Meaningful participation by all stakeholders throughout the change process.
Highly complex project, with a broad scope and dynamic business environment.	Consistent application of Risk, Project, Change and Contract management methodologies to reduce risk.
Time:	
Insufficient time for the most cost effective implementations (mandated dates of legislative initiatives, executive orders, other competing priorities)	Phased development and deployment schedules. Adaptive systems will accommodate change more readily.
Resources:	
Requires development of staff skills	Plan includes technical training and anticipates contract resources.
Requires adequate level of funding	Reinvestment plan maximizes federal participation.
Function:	
Incomplete requirements	Development phases begin with process modeling. Users will define requirements and frequent acceptance points will be utilized to ensure understanding.
Inadequate training for users on new business processes and system functions	Transition plan includes extensive user training, office readiness and change management support.

2. Risks associated with <u>not</u> implementing this plan

Risk Factor	Impact
Failure to meet federal and state program requirements.	Fiscal sanctions of at least $12 million per year.
Increasing inability of systems to keep pace with changing business requirements.	Continued redundancies and increasing workload on case managers which will result in higher administrative costs.
Modifying vulnerable, outdated systems.	Increasing modification costs, longer modification cycles and increased risk of system failure.
Individuals responsible for delivering services won't have the tools and information to adequately perform their job.	Inability of communities, local and state agencies to meet performance and family outcome measures.

DHR

Work First Business Plan

County Block Grant Allocations

1. Funds Included in County Block Grant Allocations

Funds identified in the DHR Work First Business Plan for the following areas will be block granted to counties:

- Work First Employment Program
- Emergency Assistance Cash
- Emergency Assistance County Funds
- County Eligibility Workers
- County Administration

In state fiscal year 1997-98, the allocation among counties of the funds in the block grant pool shall be based on the percentage of each county's expenditures to the total statewide expenditures in these areas in SFY 95-96.

During SFY 97-98, the Division of Social Services, with collaboration and consultation from the County Director's Association and the County Commissioners Association, shall develop a methodology for allocating block grant funds in future years which takes into consideration caseload size, performance expectations and historical factors.

2. Maintenance of Effort

State and County monies which provide for the non-federal share of expenditures in the Work First Business Plan shall remain budgeted at the FY 96-97 level, except as noted below under Settlement.

3. County/State Participation Rates

The state will cover the full non-federal cost, as outlined in the Work First Business Plan, for all emergency assistance services provided by agencies other than county DSS. In addition, state funds will be used to fund all state administration, child support enforcement increases, and welfare reform automation projects.

State funds will be put into county block grants in an amount sufficient to fully fund those grants, after first deducting county and federal dollars, at the level

outlined in the Work First Business Plan. In recognition that county's individual participation in the areas covered by the Work First Business Plan has been variable depending upon the array and volume of the services offered, the proportion of federal, state, and county dollars in each individual county's block grant will be variable. With cash assistance benefits funded with 100% federal funds, county funds which previously were required to match federal funds in that area will be available to support county block grants. In addition, every county will receive federal and state funding to augment county funds in the block grant. During FY 97-98, the total funding available to a county will be the same as it would have been under the old federal matching requirements; the only difference will be that the same amount of funding will be used differently.

4. **Settlement**

After year end, if a county has met all of the goals and requirements of its Memorandum of Agreement with the Division of Social Services, and it has unexpended block grant funds, the county will retain the county percentage of those unexpended funds. These dollars will then be available for one-time county expenditure priorities. In the following fiscal year, however, the county will continue to budget an amount equal to the FY 96-97 budgeted level. State and federal funds which are not expended from a county's block grant, will revert to the State.

It is the intent of the Department of Human Resources to re-examine each year, beginning in SFY 1999-2000, on an individual county basis, the 100% county MOE requirement. If a county has consistently met all program requirements, and not fully expended its block grant each year, the Department would consider allowing the county to reduce its budgeted committment in subsequent years, contingent upon the county's continued high performance. If a county that was allowed to reduce its budgeted committment failed to meet its program requirements, it could be required to increase its budget back to the SFY 97 level.

At year end, if a county has not met all of the goals and requirements of its Memorandum of Agreement, penalties shall be assessed in accordance with the terms of the MOA.

VISITOR REGISTRATION SHEET

Committee: Human Resources (Appropriations) Date: April 8, 1997

VISITORS: Please sign below and return to Committee Clerk.

NAME	FIRM OR STATE AGENCY AND ADDRESS
Peyton Mangum	GP
Sonia Schmidt	NCJCDC
Pat Yancey	APPCNC/SCSL
Wanda Mandeville	DHR - Budget and Analysis
Roslyn Savitt	NC Child Care Coalition
Steve Shaber	Jordan Price Wall Gray Jones
Kevin FitzGerald	DHR-DSS.
Dan Hudgins	Durham Co DSS Durham N.C
Chip Maddox	Cumberland Co. DSS, Fayetteville, N.C.
Earl Mayatt	Johnston Co DSS Smithfield NC.
Allyn Mills	NASW-NC
Pheon Beal	DHR/DSS
Stephanie Jarrell	DHR/DCD
Sharon Ponder	AIC Partnership
Helen Lipina	Meck Co DSS
Dil Walker	NC Partnership for children
Bobby Woodard	OSBM
NELS ROSELAND	OSBM
Evelyn Hawthorne	NCHA
Chimere Hooker Breach	Carolinas Healthcare System
Rebecca Troutman	NCACC
Satchel Paige	NCACC
Jackie Robinson	"
Bill Cox	DHR/DIRM
Ben Watts	DHR/DSS
Jane Smith	DHR/DSS

VISITOR REGISTRATION SHEET

Committee: _____ Date: _____

VISITORS: Please sign below and return to Committee Clerk.

NAME	FIRM OR STATE AGENCY AND ADDRESS
Lyda Alyrea	DHR. DSS
Whitney Obrig	DMHDDSAS
Starlen Scott Robbins	DMH/DDSAS
Flo Steen	DMH/DDSAS
Smith Worth	School of Social Work UNC
Jim McCleskey	DHR Budget & Analysis
Mfeaya	OSBM
Jim Edmonds	DHR
Don Barton	DHR

APPROPRIATIONS SUBCOMMITTEE ON HUMAN RESOURCES

MINUTES
MAY 6, 1997

Co-Chairman Charlotte Gardner presided over the Tuesday, May 6, 1997 meeting of the Appropriations Subcommittee on Human Resources at 8:30 a.m. The following members were present:

Representative Charlotte Gardner	Representative Lanier Cansler
Representative Debbie Clary	Representative Henry Aldridge
Representative Edd Nye	Representative Cindy Watson
Representative Bill Hurley	Representative Alma Adams
Representative Martha Alexander	Representative Theresa Esposito

Staff members, Carol Shaw, Mary Ellen Sylvester and Karen Hammonds-Blanks presented the proposed budget cuts (See Attached). Following the presentation and discussion by the members, Representative Gardner led the members through the items making the following dispositions:

These items were agreed upon by the committee: Items 1-6, Item 8, Items 11 and 12, Items 15-17, Items 26-27, Items 28-29, Item 31, Item 33, Items 37, Items 39-44, Item 46, Items 48-50, Item 52 (funds redirected to textbooks), Items 54-63 and Items 65-66.

Items 19-24, Item 38 and Item 51 will not be accepted at this time, according to Representative Gardner.

The following items were pulled for further consideration: Item 7, Items 9 -10, Item 13 - 14, Item 18, Item 25, Item 30, Item 32, Item 34-36, Item 45, Item 47, and Item 53, Item 64, Item 67.

The meeting was adjourned.

Respectfully submitted,

Barbara R. Hocutt

Barbara R. Hocutt
Clerk

Approved by: Charlotte A. Gardner

Representative Charlotte A. Gardner
Co-Chair

CAG:brh

DRAFT

G = Governor 5-6-97
S = Senate
O = Options

House Subcommittee on Human Resources

5/6/97 2:42:14 PM

Human Resources

	GENERAL FUND			
	FY 97-98		FY 98-99	
Recommended Budget	$2,386,863,411		$2,542,119,295	

Legislative Changes

(1.00) Division of Medical Assistance

1 Nursing Home Bed Adjustments G Adjusts the forecast for nursing home beds to reflect lag time for the construction of new nursing home beds.	($1,058,611)	R	($3,726,846)	R
2 Drug Rebate Increase G Increases Drug Rebates because more revenue is anticipated due to increased drug prices and increased effort by Division of Medical Assistance to claim rebates.	($5,040,690)	R	($5,811,868)	R
3 DME Rent and Supply Rate Adjustment G Adjusts methodology used to establish durable medical equipment rental rates by basing rates on useful life of equipment and return on investment.	($620,387)	R	($629,024)	R
4 Third Party Liability Cost Avoidance G Adjusts methodology for ensuring that payment by all other responsible parties for services consumed by Medicaid eligibles occurs before any payments are made by Medicaid.	($1,892,180)	R	($1,918,522)	R
5 Personal Care Services Criteria G Establishes more specific criteria for Personal Care Services to ensure the appropriateness of care for Medicaid eligibles who receive Personal Care Services.	($1,364,851)	R	($1,383,852)	R
6 Home Health Care Cost Avoidance G Ensures that Home Health Care services covered by Medicare are paid by Medicare instead of Medicaid.	($651,406)	R	($660,475)	R
Pulled (maybe G) **7 Reduce Inflationary Increases** Reduces Inflationary increases for providers by .25%.	($2,893,800)	R	($3,229,506)	R
8 Adjust 1996-97 Base Year for Actual Performance G Adjusts the 1996-97 base year to reflect actual expenditures through 12/96 which indicates that the budget is higher than projected expenditures. This adjustment allows the projected budget for the 1997-99 biennium to be reduced.	($16,969,926)	R	($14,424,443)	R
9 Medicaid Reduction Initiative Pulled G Reduces the growth in the Medicaid budget from 10.5% to 9% by making additional reductions to program costs.	$0	R	($19,110,288)	R

10 Medicaid Trust Fund Reduces state appropriations to the Medicaid program and replaces them with revenues from the Medicaid Trust Fund.	($40,000,000)	NR	($30,000,000)	NR
11 Eliminate Positions (vacant) Eliminates three positions: DMA Nurse I, DMA Service Consultant, and Administrative Secretary III.	($46,747) -3.00	R	($46,747) -3.00	R
12 Salary Reserve Reduction	($4,775)	R	($4,775)	R
13 Eliminate Optional Non-SSI Group Eliminate the optional non-SSI group which includes individuals financially eligible for SSI and Medicaid because they were denied SSI when they were not considered disabled under federal guidelines, but they appealed their denial to a state hearing officer who overturned the original decision.	($4,357,140)	R	($7,348,645)	R
14 Eliminate Inflation for Adult Care Facilities Eliminate inflation increase in Basic and Enhance Personal Care Services and Medicaid Transportation for adult care facilities included in the Governor's continuation budget.	($666,244)	R	($1,491,977)	R
(2.00) Office of the Secretary				
15 Reduce SIPS Payments Reduces SIPS payments due to the centralization of data processing.	($500,000)	R	($500,000)	R
16 Salary Reserve Reduction Division of Personnel.	($13,144)	R	($13,144)	R
17 Eliminate Positions Eliminates funding which is being transferred to the Governor's Office for the Senior Advisor for Children and Families and one additional staff person.	($170,000) -2.00	R	($170,000) -2.00	R
18 Elimninate State Aid to Community Action Agencies Eliminates State Aid to Community Action Agencies due to a $2.6 million increase in federal funds.	($913,822)	R	($913,822)	R
19 Salary Reserve Reduction Administration and Support.	($20,857)	R	($20,857)	R
20 Salary Reserve Reduction Division of Information Management.	($31,775)	R	($31,775)	R
21 Office of Rural Health Travel Incentive Funds Reduce transportation funding from the Recruitment Incentive Fund.	($9,586)	R	($9,586)	R

22 Internal Audit Division Reduce contract funds.	($10,613)	R	($10,613)	R
23 Office of Rural Health Reduce funding from the Recruitment Incentive Fund.	($146,229)	R	($146,229)	R
24 Office of the Controller Reduce funding for contracts and supplies.	($150,740)	R	($150,740)	R
25 Eliminate Vacant Positions Eliminate vacant positions throughout the Department.	($2,000,000)	R	($2,000,000)	R
26 DD Council Reduce funding for State Planning, furniture, and equipment.	($1,829)	R	($1,829)	R
27 Public Information Office Reduce funding for travel, supplies, and equipment.	($8,500)	R	($8,500)	R
(3.00) Division of Mental Health				
28 Reduce Utilities at State Facilities Reduces the cost of utilities at state facilities to reflect actual 1995-96 expenditures.	($1,099,373)	R	($1,119,662)	R
29 Reduce Willie M. Community Services Reduces continuation budget increases for Willie M. Community Services.	($500,000)	R	($500,000)	R
30 Reduce Overtime Expenditures at State Facilities Reduces overtime and related fringes at the following state facilities: Butner Adolescent Treatment Center, Cherry Hospital, Dix Hospital, Umstead Hospital, Caswell Center, Murdoch Center, O'Berry Center, and Western Carolina Center.	($3,547,533)	R	($3,547,533)	R
31 Salary Reserve Reduction	($49,692)	R	($49,692)	R
32 Close Whitaker School Closes Whitaker School effective January 1, 1998.	($696,859)	R	($1,455,669)	R
33 Reduce Thomas S Funds Reduces excess Thomas S funding based on current spending patterns.	($1,690,926)	R	($932,116)	R
34 Thomas S Cost Containment Reduces funding for Thomas S by requiring the Department and local area mental health programs to contain costs while serving the mandated caseload needs.	($7,600,000)	R	($7,600,000)	R

35 Thomas S Reduction Reduces funding for Thomas S by allowing the Department to use existing departmental funds to meet court-mandated caseload needs.	($7,600,000)	NR	$0	NR
36 Reduce Operating Reserve Reduces the operating reserve for the Alzheimer's Unit in Wilson due to construction delays.	($600,000)	NR	$0	NR
(4.00) Division of Social Services				
37 Adolescent Parenting Program Reduces state appropriations in anticipation of additional Medicaid receipts for program administration.	($23,886)	R	($23,886)	R
38 Reduce ACTS Trust Fund Reduces ACTS automation project trust fund.	($900,000)	NR	$0	NR
39 Reduce Excess Appropriation in Reserve Reduces excess state appropriations in reserve for data processing.	($295,717)	R	($295,717)	R
40 Increase State Return on Child Support Collections Reduces appropriations by budgeting increased State return on Child Support Collections.	($3,000,000)	R	($3,000,000)	R
41 Interest Earned on Child Support Collections Reduces appropriations by budgeting interest on child support collections.	($300,000)	R	($300,000)	R
42 Salary Reserve Reduction	($20,957)	R	($20,957)	R
43 Eliminate Positions (vacant) Eliminates three positions: Social Services Program Administrator II, Social Services Program Consultant II, and Income Maintenance Quality Assurance Analyst.	($58,952) -3.00	R	($58,952) -3.00	R
44 Reduce Case Management Funding Reduces funding for Enhanced Adult Care Home case management services due to under-utilization of services.	($500,000)	R	($500,000)	R
45 Eliminate Inflation for Adult Care Facilities Eliminate inflation increase in State/County Special Assistance for adult care facilities included in the Governor's continuation budget.	($1,124,399)	R	($2,443,903)	R
46 Reduce State/County Special Assistance Reduce funding for State/County Special Assistance to reflect more accurate estimate of expenditures.	($1,000,000)	R	($1,000,000)	R

(5.00) Division of Youth Services

47 Reduce Support Our Students Administration Reduces administration funds for rent, travel, and equipment in the Support Our Students Program.	($37,160)	R	($37,160)	R
48 No Rate Increase in Eckerd Camp Rates Maintains Eckerd Wilderness Camp payment rate of $74.89 per day.	($501,215)	R	($501,215)	R
49 Increased Receipts in Detention Centers Reduces state appropriations to reflect increased receipts.	($178,063)	R	($178,063)	R
50 Reduce Operating Reserves Reduces operating reserves for two detention centers due to construction delays.	($673,938)	NR		

(6.00) Division of Blind Services

51 Eliminate Positions Eliminates a Processing Assistant III position and a Maintenance Mechanic I position at the Governor Morehead School.	($46,997) 2.00	R	($46,997) 2.00	R
52 Reduce Special Assistance for the Blind Adjusts state appropriations to reflect reductions in program utilization. redirect to Textbooks	($12,408)	R	($12,408)	R
53 Reduce Medical Eye Care Program Reduces appropriations for the Medical Eye Care Program.	($47,538)	R	($47,538)	R
54 Utility Adjustments for Governor Morehead School Reduces state appropriations for utilities to reflect projected expenditures.	($72,483)	R	($72,483)	R
55 Adjustment to Budgeted Salaries Adjusts budgeted salaries to reflect actual expenditures.	($7,568)	R	($7,568)	R
56 Salary Reserve Reduction	($6,208)	R	($6,208)	R
57 Eliminate State Funds for Position Replaces state appropriations with Business Enterprise funds to support one position.	($11,023)	R	($11,023)	R

(7.00) Division of Facility Services

58 Eliminate Positions Eliminates two positions and related support: Applications Programmer II and Processing Assistant V.	($48,692) -2.00	R	($48,692) -2.00	R

59 Reduce Health Care Personnel Registry Reduces funding for the Health Care Personnel Registry due to increased Medicaid receipts.	($80,000)	R	($80,000)	R
60 Eliminate Position Eliminate one Long Term Care Complaint Investigator position (4470-0000-0001-342) in the Health Care Personnel Registry.	($41,418) -1.00	R	($41,418) -1.00	R
(8.00) Division of Aging				
61 Salary Reserve Reduction	($2,927)	R	($2,927)	R
(9.00) Div. Services for Deaf/Hard of Hearing				
62 Reduce Overtime Expenditures Reduces overtime expenditures at the residential schools for the deaf.	($73,984)	R	($73,984)	R
63 Salary Reserve and Longevity Reduction	($82,366)	R	($82,366)	R
(10.00) Division of Vocational Rehabilitation				
64 Eliminate Establishment of Facilities Funds Eliminates state funds for providing capital improvement grants to Community Rehabilitation Programs for barrier removal and vocational equipment needs.	($148,841)	R	($148,841)	R
65 Salary Reserve Reduction	($61,439)	R	($61,439)	R
(11.00) Division of Child Development				
66 Reduce Excess Postage and Printing Costs Eliminates excess funds for postage and printing resulting from increased use of automation in the criminal records check program.	($25,442)	R	($25,442)	R
67 Reduce Child Care Subsidies Reduces state funding for child care subsidies due to a transfer of federal funds from the TANF Block Grant.	($18,308,597)	R	($18,308,597)	R
Total Legislative Changes	**($80,846,515)** **($49,773,938)**	R NR	**($106,406,519)** **($30,000,000)**	R NR
Total Position Changes	-9.00		-9.00	
Revised Budget	**$2,256,242,958**		**$2,405,712,776**	

HOUSE APPROPRIATIONS SUBCOMMITTEE FOR HUMAN RESOURCES

Minutes
May 7, 1997
8:30

The North Carolina General Assembly House Appropriations Subcommittee on Human Resources met Thursday afternoon, May 7 , 1997, at 8:30 A.M. in Room 424 of the Legislative Office Building.

House Co-Chairman Representative Lanier Cansler presided. Other House members present were Representative Teresa Esposito, Appropriations Co-Chairman. Representative Charlotte Gardner, Co-Chairman, Representative Debbie Clary, Co-Chairman, Representatives Alma Adams, Henry Aldridge, Martha Alexander, J. W. Hurley, Edd Nye and Cindy Watson.

Representative Cansler called the meeting to order at 8:35 A.M. A draft of the recommended budget was the topic of discussion. Staff reported to the Committee changes in figures on today's budget from the budget presented yesterday. Specifically in Item 1, Reduce Inflationary Increases and Item 2, Medicaid Trust Fund. Represented Cansler informed the Committee they would be dealing with the budget piece by piece.

Mr. Dick Perruzzi, Acting Director of the Division of Medical Assistance and Carol Shaw of the Fiscal Research Division gave their explanation for the reasons in the changes in the figures.

Representative Cansler asked if the growth percentage is higher than projected would the money come from provider cuts. Mr. Perruzzi's answer was yes along with several other options.

Representative Gardner made a motion to group the first three items (Reduce Inflationary Increases, Medicaid Reduction Initiative, and Medicaid Trust Fund) together, raise the percentage in Item 1 from .25% to .30% and to accept the cuts. All voted in favor with the exception of one against (Representative Martha Alexander).

Item 4 (Eliminate Optional Non-SSI Group). The members asked if loss of eligibility targeted a specific group along with other questions concerning optional programs. Comments addressing these questions were received from Jim Edgerton, DHR, Dr. Perruzzi and Ms. Shaw. Representative Gardner moved to accept the cuts in Item 4. The vote failed with a division vote of 5 to 4.

Representative Gardner moved to not accept Item 5 (Eliminate Inflation for Adult Care Facilities) and accept Item 13 (Eliminate Inflation for Adult Care Facilities). The vote was unanimous on the motion.

Items 6 and 7 were removed.

Representative Gardner moved to accept Item 8. The vote was unanimous on the motion.

During the discussion on Item 9 (Close Whitaker School), Representative Gardner made the comment that it may be better to build new building due to the fact this existing facility is a very old building. Representative Gardner moved to accept the closing of Whitaker School. Representative Nye seconded and the vote was unanimous to accept the closing.

Representative Gardner moved to group Items 10 and 11 together and to accept. The vote to accept was unanimous.

Items 12 and 14 were removed.

After discussion from Representative Esposito, Representative Nye and responses from Debbie Jackson, DHR, Jim Edgerton, DHR, and staff member, Mary Ellen, Representative Gardner moved to accept Item 15. The vote was unanimous.

Representative Nye moved not to accept Item 16. The vote was unanimous.

Item 17 was removed.

The meeting was adjourned at 9:30 A.M. with a reminder that the Committee would again meet after the day's session.

Respectfully submitted,

Presiding Co-Chairman - Representative Lanier M. Cansler

Barbara Cansler, Clerk

Attachment I DRAFT - Recommended Budget

Attachment II Visitors Registration Sheet

G = Governor
S = Senate
O = Options

DRAFT

House Subcommittee on Human Resources

5/6/97 6:03:45 PM

Human Resources

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Budget	**$2,386,863,411**		**$2,542,119,295**	

Legislative Changes

(1.00) Division of Medical Assistance

1 Reduce Inflationary Increases — 3,471,000 ($2,893,800) R — 3 874,000 ($3,229,506) R

Reduces Inflationary increases for providers by ~~.25%~~ .30%.

2 Medicaid Reduction Initiative — $0 R — 20 360 000 (~~$19,110,288~~) R

Reduces the growth in the Medicaid budget from 10.5% to 9% by making additional reductions to program costs.

3 Medicaid Trust Fund — 20,000,000 ($40,000,000) NR — (~~$30,000,000~~) NR

Reduces state appropriations to the Medicaid program and replaces them with revenues from the Medicaid Trust Fund.

4 Eliminate Optional Non-SSI Group — ($4,357,140) R — ($7,348,645) R

Eliminate the optional non-SSI group which includes individuals financially eligible for SSI and Medicaid because they were denied SSI when they were not considered disabled under federal guidelines, but they appealed their denial to a state hearing officer who overturned the original decision.

5 Eliminate Inflation for Adult Care Facilities — ($666,244) R — ($1,491,977) R

Eliminate inflation increase in Basic and Enhance Personal Care Services and Medicaid Transportation for adult care facilities included in the Governor's continuation budget.

(2.00) Office of the Secretary

6 Eliminate State Aid to Community Action Agencies — ($913,822) R — ($913,822) R

Eliminates State Aid to Community Action Agencies due to a $2.6 million increase in federal funds.

7 Eliminate Vacant Positions — ($2,000,000) R — ($2,000,000) R

Eliminate vacant positions throughout the Department.

(3.00) Division of Mental Health

8 Reduce Overtime Expenditures at State Facilities — ($3,547,533) R — ($3,547,533) R

Reduces overtime and related fringes at the following state facilities: Butner Adolescent Treatment Center, Cherry Hospital, Dix Hospital, Umstead Hospital, Caswell Center, Murdoch Center, O'Berry Center, and Western Carolina Center.

9 Close Whitaker School Closes Whitaker School effective January 1, 1998.	($696,859)	R	($1,455,669)	R
10 Thomas S Cost Containment Reduces funding for Thomas S by requiring the Department and local area mental health programs to contain costs while serving the mandated caseload needs.	($7,600,000)	R	($7,600,000)	R
11 Thomas S Reduction Reduces funding for Thomas S by allowing the Department to use existing departmental funds to meet court-mandated caseload needs.	($7,600,000)	NR	$0	NR
12 Reduce Operating Reserve Reduces the operating reserve for the Alzheimer's Unit in Wilson due to construction delays.	($~~600,000~~ 500,000)	NR	$0	NR
(4.00) Division of Social Services				
13 Eliminate Inflation for Adult Care Facilities Eliminate inflation increase in State/County Special Assistance for adult care facilities included in the Governor's continuation budget.	($1,124,399)	R	($2,443,903)	R
(5.00) Division of Youth Services				
14 Reduce Support Our Students Administration Reduces administration funds for rent, travel, and equipment in the Support Our Students Program.	($37,160)	R	($37,160)	R
(6.00) Division of Blind Services				
15 Reduce Medical Eye Care Program Reduces appropriations for the Medical Eye Care Program.	($47,538)	R	($47,538)	R
(10.00) Division of Vocational Rehabilitation				
16 Eliminate Establishment of Facilities Funds Eliminates state funds for providing capital improvement grants to Community Rehabilitation Programs for barrier removal and vocational equipment needs.	($148,841)	R	($148,841)	R
(11.00) Division of Child Development				
17 Reduce Child Care Subsidies Reduces state funding for child care subsidies due to a transfer of federal funds from the TANF Block Grant.	($18,308,597)	R	($18,308,597)	R

Total Legislative Changes	**($42,341,933)**	**R**	**($67,683,479)**	**R**
	($48,200,000)	**NR**	**($30,000,000)**	**NR**
Total Position Changes				
Revised Budget	**$2,296,321,478**		**$2,444,435,816**	

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DRAFT

House Subcommittee on Human Resources

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VISITOR REGISTRATION SHEET

Committee: HUMAN RESOURCES (APPROPRIATIONS) Date: MAY 7, 1997

VISITORS: Please sign below and return to Committee Clerk.

NAME	FIRM OR STATE AGENCY AND ADDRESS
Debbie Jackson	DHR - Blind Services
Jordan Wade	DHR - Rural Health
Doug Dick	Gen. Ass Hall Legislature
Jim Tate	MHA/NC - C 2001
Ed Cochrane	UCP-NC - C 2001
Deborah W. Jarvis	N.C. Community Action
Roslyn Sawitt	NC child Care Coalition
Steve Johnson	DMHDDSAS
Pat Fortner	" " "
Marci White	" " "
Peg Hatchett	DHR
Jim Elgin	DHR
Nina Yeager	OSBM
John Baggett	DMHDDSAS
Lynne Levin	DHR
Vicki Lemmi	DHR
	DMA
Robert Moore	DMHDDSAS
Phillip Hoffman	"
Lisa Capoca	DHR - DSS
Kevin McGerald	"
Norma Ransome	"
Helen Kyma	Meck. Co.
Lynda McDaniel	DHR/DFS
MIKE ROSECAND	OSBM
	CSPI

VISITOR REGISTRATION SHEET

Committee: HUMAN RESOURCES (APPROPRIATIONS) Date: MAY 7, 1997

VISITORS: Please sign below and return to Committee Clerk.

NAME	FIRM OR STATE AGENCY AND ADDRESS
Steve Stone	Tri-County Industries, Inc. 1250 Atlantic Ave, Rocky Mount
TRICHARD TRIDENT	DHR / DYS
Whitney Oberg	DNHDDSAS
Tara Jenkins	NCHCFA
Joe Perkins	DVRS
Wayne Williams	OSBM
J. Cole	NCCITZ Comm Action
Tommy Wath	Carolinas HealthCare System
BILL COX	DHR/DERM
Mary Martin	DHR/OEO
CRAIG SOUZA	NCHCFA

APPROPRIATIONS SUBCOMMITTEE ON HUMAN RESOURCES

MINUTES
MAY 8, 1997

The Appropriations Subcommittee on Human Resources met on May 8, 1997 at 8:30 a.m. in Room 424 with Representative Charlotte Gardner, Co-Chairman, presiding. The following members were present:

Representative Charlotte Gardner
Representative Debbie Clary
Representative Cindy Watson
Representative Alma Adams
Representative Bill Hurley, excused
Representative Lanier Cansler
Representative Edd Nye
Representative Henry Adridge
Representative Martha Alexander

Carol Shaw, Mary Ellen Sylvester and Karen Hammonds-Blanks, staff members, handed out the same list of proposed budget items presented on May 7th. (See attached.) Carol Shaw gave a revision of figures for Items #1 and 2. Since the committee voted to reduce the inflationary increases for providers by .30%, it changed these figures and they are:

97-98 $3,472,560 98-99 $3,875,407

In conjunction, the Medicaid Reduction Initiative is increased to $20,342,820 (Item #2). Karen gave the new figures on Item #12, Reducing Operating Reserves, (Wilson Alzheimer's Unit). The reduction would be $500,000. This leave $388,000 for start-up. There would be no impact, according to Ms. Hammonds-Blanks.

Item #17, Reduce Child Care Subsidies, will be left for the Expansion Budget, according to Representative Gardner. These are TANF Block Grant Funds designated for helping people get off welfare which the Governor is proposing to shift to the Child Care Division for use for Smart Start.

Representative Gardner asked for a straw vote on accepting the Senate proposal on Medicaid. The vote was by a show of hands, 2 yes and 4 no.

Representative Cansler moved that a special provision have a consultant firm look at the States' 4 psych. hospitals and make recommendations, and that we have as a goal a 3% reduction in state funding which amounts to $4.5 million in the 2nd year. The motion passed.

Representative Nye, Ranking Minority Member, moved that Items # 10 and 11 dealing with Thomas S funds be combined, and the language in Item #11 prevail. This will allow the Department to obtain funds needed from lapsed salaries along with a provision that

would require the Department to come up with funds to comply with the court order and at the same time serve the clients. The motion passed. He also moved that in Item 13, Eliminate Inflation for Adult Care Facilities, inflationary increases be restored. Representative Clary opposed the motion because she is working on a special provision for the Expansion Budget to put in some increases and include some staffing language that will give them the increases they need. The committee will take a look at the cost reports and may consider even more than the 3.5%. She thinks this will address his concern, and Representative Nye withdrew his motion. Representative Gardner assured him they would revisit this item.

Co-Chairman Cansler took over the chairing of the meeting when Representative Gardner was called away to another appointment. The afternoon meeting was canceled. The subcommittee will take up the Expansion Budget next week.

Respectfully submitted,

Barbara R. Hocutt

Barbara R. Hocutt
Clerk

Approved by: Charlotte A. Gardner
Representative Charlotte Gardner, Co-Chairman

CAG:brh

G = Governor
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DRAFT

House Subcommittee on Human Resources

5/6/97 6:03:45 PM

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Revised Budget	**$2,296,321,478**		**$2,444,435,816**	

VISITOR REGISTRATION SHEET

Committee: Human Resources Appropriations Date: May 8 1997

VISITORS: Please sign below and return to Committee Clerk.

NAME	FIRM OR STATE AGENCY AND ADDRESS
Mary Martin	DHR/OEO
John Rustin	NCFPC
Beth Melcher	NC AMI
Dan Blue	Rep/H
Lynda McDaniel	DHR/DFS
NELS ROSELAND	OSBM
Roz Sawitt	NC Child Care Coalition
Ron Gerrard	BTC
Don Willis	DMHDD&SAS
Steve Johnson	"
Suzanne Wheeler	DMH, Thomas A
Marilyn Hoffman	DMHDD&SAS
Sharnese Ransome	DSS
Kevin FitzGerald	DSS
Leza Aylock	DSS
Al Deitch	YAFO/DOA
Jo Perkins	DVRS
Sandy Simmerson	NCARF
Megan Sayster	Caste Seals
Debbie Jackson	DHR - DSB
Bonnie Cramer	DHR - DOA
Helen Lippman	Meck Co.
CRAIG SOMERS	ACCCA
Lawrence Davis	Womble Carlyle

VISITOR REGISTRATION SHEET

Committee: Human Resources Appropriations Date: May 8 1997

VISITORS: Please sign below and return to Committee Clerk.

NAME	FIRM OR STATE AGENCY AND ADDRESS
Evelyn Hawthorne	NCHA
Kim Wallace	NCHA
Torlen Wade	DHR - Rural Health
Brenda Summers	NC Equity
Whitney Obrig	DIV - MH/DD/SAS
Myra Miller	NASW-NC
Paula Wolf	Covenant w/ NC's Children
Steve Shaber	Jordan Price Wall Gray Jones
Pam Seamans	United Way of NC / Covenant w/ NC's Children
Stephanie Jarrell	DHR - DCD
Bill Cox	DHR - DFRM
[illegible]	NCNA
[illegible]	Bowe Assoc / LTC
[illegible]	DHR
[illegible]	DHR
[illegible]	SBO
[illegible]	DMA
Angie McMillan	DHR
Terry Stelle	DMHDDSAS
John Barrett	"
[illegible]	PDAB
[illegible]	[illegible]
Byron K. Haris	OSBM
Wayne Williams	✓
Bobby Woodard	✓
Richard Tibbout	DHR / DYS

HOUSE APPROPRIATIONS SUBCOMMITTEE FOR HUMAN RESOURCES

Minutes
May 13, 1997
8:30 AM, Room 424

The North Carolina General Assembly House Appropriations Subcommittee on Human Resources met jointly with the Senate Appropriations Subcommittee on Tuesday, May 13, 1997, at 8:30 A.M. in room 424 of the Legislative Office Building.

House Co-Chairperson Representative, Debbie Clary presided. Other House members present were:

Representative Lanier Cansler, Co-Chairperson
Representative Alma Adams
Representative M.W. Henry Aldridge
Representative Martha Alexander
Representative J.W. Hurley
Representative Edd Nye, Ranking Minority Member
Representative Cindy Watson

All Senate members were present.

Representative Clary called the meeting to order at 8:45. Pages were introduced and Carol Shaw from Fiscal Research was asked to present Special Provisions.

The Special Provisions coding began with 97DHR-H006 and continued through 97DHR-H046. Provisions that were reviewed were: Disposition of Disproportionate Share Receipt Clarification, DHR Study of Provider Reimbursement Rates/Report, Medicaid, Non-Medicaid Reimbursement Changes, DHR Employees/In-Kind Match, Medical Data Processing Funds, Senior Center Outreach, Food Stamp Electronic Benefits Transfer Funds Specifications, Work First Fraud Control Program/Debt Setoff/Client Protection, Annual Report on Caring Program for Children, Inc., Foster Care Assistance Payments, Authorized Additional Use of HIV Foster Care and Adoptive Family Funds, Adoption Assistance Payments, Child Protective Services, Review of Automated Collection and Tracking System, Clinical Social Worker Exemption, Community Based Alternatives Participation, Implement ABC's Plan for Residential Schools, reimbursement and Compensation of Members of the North Carolina Vocational Rehabilitation Advisory Council, The Statewide Independent Living Council and the Commission for the Blind, Child Care Subsidies, Child Care Allocation Formula, Child Care Funds Matching Requirement, Child Day Care Revolving Loan Fund, Transfer of Certain Funds

Authorized, Adult Care Homes Report, Mixed Beverage Tax for Area Mental Health Programs, Physician Services, Liability Insurance, Private Agency Uniform Cost Finding Requirement, Carolina Alternatives, Thomas S Lawsuit Compliance, Extend Administration of Tri-County Area Authority, Receipts of Federal Funds for Emergency Assistance, Annual Evaluation of Wilderness Camp, Coach Mentor Training, and Governor's one-on-one Programs, DYS Training Schools/Student Evaluation, S.O.S. And Family Resource Center Grant Programs Administrative Cost Limits, Division of Services for Blind/Performance Audit, and Services for Blind/Extended Service Provider Positions.

The Representatives and Senators contributed to the overview with questions concerning how counties were selected, and eligibility. Representative Clary made a motion to accept all provisions #21 and #10 from the first package. Provision #21 is Annual Report on Caring Program for Children, Inc. and provision #10 is Medicaid. The motion carries.

The Committee received comments and answers to the Members' questions from Sharniece Ransom with the Department of Human Resources and Jim Edgerton, Assistant Secretary for Budget and management form the Department of Human resources..

Representative Clary adjourned the meeting at 9:30 A.M.

Respectfully submitted,

Debbie Clary

Presiding Co-Chairperson - Representative Debbie Clary

Mary Jamison

Mary Jamison, Clerk

Attachment I	Special Provisions Beginning with 97DHR-H006
Attachment II	Special Provisions Beginning with 97DHR-H009
Attachment III	Roll Call Vote
Attachment IV	Visitor Registration

#1

CODE NO. 97DHR-H006

Requested by: Representatives Gardner, Cansler, Clary

DISPOSITION OF DISPROPORTIONATE SHARE RECEIPT CLARIFICATION

Section @. For the 1997-99 fiscal biennium, as it receives funds associated with Disproportionate Share Payments from the State hospitals, the Division of Medical Assistance shall deposit funds appropriated for the Medicaid program in a sum equal to the federal share of the Disproportionate Share Payments as nontax revenue. Any of these funds that are not appropriated by the General Assembly shall be reserved by the State Controller for future appropriation.

CODE NO. 97DHR-H007

Requested by: Representatives Gardner, Cansler, Clary

DHR STUDY OF PROVIDER REIMBURSEMENT RATES/REPORT

Section @. The Department of Human Resources shall study the process of setting provider reimbursement rates for programs within the Department. This study shall include an analysis of the following:

(1) The extent to which rates are set in accordance with clear policies that are consistent across program lines;

(2) Whether there are general principles and assumptions that are or should be included in all rate-setting processes;

(3) The policies and economic and accounting principles that are utilized for setting rates in each program and a comparison of those policies and principles between the programs; and

(4) How any differences between programs in setting rates are justified.

The Department shall provide a status report before February 1, 1998, and a final report to the members of the House and Senate Appropriations Subcommittees on Human Resources and the Fiscal Research Division before February 1, 1999.

CODE NO. 97DHR-H010

Requested by: Representatives Gardner, Cansler, Clary

MEDICAID

Section @. (a) Funds appropriated in this act for services provided in accordance with Title XIX of the Social Security Act (Medicaid) are for both the categorically needy and the medically needy. Funds appropriated for these services shall be expended in accordance with the following schedule of services and payment bases. All services and payments are subject to the language at the end of this subsection.

Services and payment bases:

(1) Hospital-Inpatient - Payment for hospital inpatient services will be prescribed in the State Plan as established by the Department of Human Resources. Administrative days for any period of hospitalization shall be limited to a maximum of three days.

(2) Hospital-Outpatient - Eighty percent (80%) of allowable costs or a prospective reimbursement plan as established by the Department of Human Resources.

(3) Nursing Facilities - Payment for nursing facility services will be prescribed in the State Plan as established by the Department of Human Resources. Nursing facilities providing services to Medicaid recipients who also qualify for Medicare, must be enrolled in the Medicare program as a condition of participation in the Medicaid program. State facilities are not subject to the requirement to enroll in the Medicare program.

(4) Intermediate Care Facilities for the Mentally Retarded - As prescribed in the State Plan as established by the Department of Human Resources.

(5) Drugs - Drug costs as allowed by federal regulations plus a professional services fee per month excluding refills for the same drug or generic equivalent during the same month. Reimbursement shall be available for up to six prescriptions per recipient, per month, including refills. Payments for drugs are subject to the provisions of subsection (h) of this section and to the provisions at the end of subsection (a) of this

section, or in accordance with the State Plan adopted by the Department of Human Resources consistent with federal reimbursement regulations. Payment of the professional services fee shall be made in accordance with the State Plan adopted by the Department of Human Resources, consistent with federal reimbursement regulations. The professional services fee shall be five dollars and sixty cents ($5.60) per prescription. Adjustments to the professional services fee shall be established by the General Assembly.

(6) Physicians, Chiropractors, Podiatrists, Optometrists, Dentists, Certified Nurse Midwife Services - Fee schedules as developed by the Department of Human Resources. Payments for dental services are subject to the provisions of subsection (g) of this section.

(7) Community Alternative Program, EPSDT Screens - Payment to be made in accordance with rate schedule developed by the Department of Human Resources.

(8) Home Health and Related Services, Private Duty Nursing, Clinic Services, Prepaid Health Plans, Durable Medical Equipment - Payment to be made according to reimbursement plans developed by the Department of Human Resources.

(9) Medicare Buy-In - Social Security Administration premium.

(10) Ambulance Services - Uniform fee schedules as developed by the Department of Human Resources.

(11) Hearing Aids - Actual cost plus a dispensing fee.

(12) Rural Health Clinic Services - Provider-based, reasonable cost; nonprovider-based, single-cost reimbursement rate per clinic visit.

(13) Family Planning - Negotiated rate for local health departments. For other providers - see specific services, for instance, hospitals, physicians.

(14) Independent Laboratory and X-Ray Services - Uniform fee schedules as developed by the Department of Human Resources.

(15) Optical Supplies - One hundred percent (100%) of reasonable wholesale cost of materials.

(16) Ambulatory Surgical Centers - Payment as prescribed in the reimbursement plan established by the Department of Human Resources.

(17) Medicare Crossover Claims - An amount up to the actual coinsurance or deductible or both, in accordance with the State Plan, as approved by the Department of Human Resources.

(18) Physical Therapy and Speech Therapy - Services limited to EPSDT eligible children. Payments are to be made only to qualified providers at rates negotiated by the Department of Human Resources.

(19) Personal Care Services - Payment in accordance with the State Plan approved by the Department of Human Resources.

(20) Case Management Services - Reimbursement in accordance with the availability of funds to be transferred within the Department of Human Resources.

(21) Hospice - Services may be provided in accordance with the State Plan developed by the Department of Human Resources.

(22) Other Mental Health Services - Unless otherwise covered by this section, coverage is limited to agencies meeting the requirements of the rules established by the Commission for Mental Health, Developmental Disabilities, and Substance Abuse Services, and reimbursement is made in accordance with a State Plan developed by the Department of Human Resources not to exceed the upper limits established in federal regulations.

(23) Medically Necessary Prosthetics or Orthotics for EPSDT Eligible Children - Reimbursement in accordance with the State Plan approved by the Department of Human Resources.

(24) Health Insurance Premiums - Payments to be made in accordance with the State Plan adopted by the Department of Human Resources consistent with federal regulations.

(25) Medical Care/Other Remedial Care - Services not covered elsewhere in this section include related services in schools; health professional services provided outside the clinic setting to meet maternal and infant health goals; and services to meet federal EPSDT mandates. Services addressed by this paragraph are limited to those prescribed in the State Plan as established by the Department of Human Resources. Providers of these services shall

be certified as meeting program standards of the Department of Environment, Health, and Natural Resources.

(26) Pregnancy Related Services - Covered services for pregnant women shall include nutritional counseling, psychosocial counseling, and predelivery and postpartum home visits by maternity care coordinators and public health nurses.

Services and payment bases may be changed with the approval of the Director of the Budget.

Reimbursement is available for up to 24 visits per recipient per year to any one or combination of the following: physicians, clinics, hospital outpatient, optometrists, chiropractors, and podiatrists. Prenatal services, all EPSDT children, and emergency rooms are exempt from the visit limitations contained in this paragraph. Exceptions may be authorized by the Department of Human Resources where the life of the patient would be threatened without such additional care. Any person who is determined by the Department to be exempt from the 24-visit limitation may also be exempt from the six-prescription limitation.

(b) Allocation of Nonfederal Cost of Medicaid. The State shall pay eighty-five percent (85%); the county shall pay fifteen percent (15%) of the nonfederal costs of all applicable services listed in this section.

(c) Copayment for Medicaid Services. The Department of Human Resources may establish copayment up to the maximum permitted by federal law and regulation.

(d) Medicaid and Aid to Families With Dependent Children Income Eligibility Standards. The maximum net family annual income eligibility standards for Medicaid and Aid to Families with Dependent Children, and the Standard of Need for Aid to Families with Dependent Children shall be as follows:

Categorically Needy		Medically Needy	
Family Size	Standard of Need	AFDC Payment Level*	AA, AB, AD*
1	$ 4,344	$ 2,172	$ 2,900
2	5,664	2,832	3,800
3	6,528	3,264	4,400
4	7,128	3,564	4,800
5	7,776	3,888	5,200
6	8,376	4,188	5,600
7	8,952	4,476	6,000
8	9,256	4,680	6,300

*Aid to Families With Dependent Children (AFDC); Aid to the Aged (AA); Aid to the Blind (AB); and Aid to the Disabled (AD).

The payment level for Aid to Families With Dependent Children shall be fifty percent (50%) of the standard of need.

These standards may be changed with the approval of the Director of the Budget with the advice of the Advisory Budget Commission.

(e) All Elderly, Blind, and Disabled Persons who receive Supplemental Security Income are eligible for Medicaid coverage.

(f) ICF and ICF/MR Work Incentive Allowances. The Department of Human Resources may provide an incentive allowance to Medicaid-eligible recipients of ICF and ICF/MR facilities who are regularly engaged in work activities as part of their developmental plan and for whom retention of additional income contributes to their achievement of independence. The State funds required to match the federal funds that are required by these allowances shall be provided from savings within the Medicaid budget or from other unbudgeted funds available to the Department. The incentive allowances may be as follows:

Monthly Net Wages	Monthly Incentive Allowance
$1.00 to $100.99	Up to $50.00
$101.00 - $200.99	$80.00
$201.00 to $300.99	$130.00
$301.00 and greater	$212.00.

(g) Dental Coverage Limits. Dental services shall be provided on a restricted basis in accordance with rules adopted by the Department to implement this subsection.

(h) Dispensing of Generic Drugs. Notwithstanding G.S. 90-85.27 through G.S. 90-85.31, under the Medical Assistance Program (Title XIX of the Social Security Act) a prescription order for a drug designated by a trade or brand name shall be considered to be an order for the drug by its established or generic name, except when the prescriber personally indicates, either orally or in the prescriber's own handwriting on the prescription order, "dispense as written" or words of similar meaning. Generic drugs, when available in the pharmacy, shall be dispensed at a lower cost to the Medical Assistance Program rather than trade or brand name drugs, subject to the prescriber's "dispense as written" order as noted above.

As used in this subsection "brand name" means the proprietary name the manufacturer places upon a drug product or on its container, label, or wrapping at the time of packaging; and "established name" has the same meaning as in section 502(e)(3) of the Federal Food, Drug, and Cosmetic Act as amended, 21 U.S.C. § 352(e)(3).

(i) Exceptions to Service Limitations, Eligibility Requirements, and Payments. Service limitations, eligibility

requirements, and payments bases in this section may be waived by the Department of Human Resources, with the approval of the Director of the Budget, to allow the Department to carry out pilot programs for prepaid health plans, managed care plans, or community-based services programs in accordance with plans approved by the United States Department of Health and Human Services, or when the Department determines that such a waiver will result in a reduction in the total Medicaid costs for the recipient.

(j) Volume Purchase Plans and Single Source Procurement. The Department of Human Resources, Division of Medical Assistance, may, subject to the approval of a change in the State Medicaid Plan, contract for services, medical equipment, supplies, and appliances by implementation of volume purchase plans, single source procurement, or other similar processes in order to improve cost containment.

(k) Cost Containment Programs. The Department of Human Resources, Division of Medical Assistance, may undertake cost containment programs including preadmissions to hospitals and prior approval for certain outpatient surgeries before they may be performed in an inpatient setting.

(l) For all Medicaid eligibility classifications for which the federal poverty level is used as an income limit for eligibility determination, the income limits will be updated each April 1 immediately following publication of federal poverty guidelines.

(m) The Department of Human Resources shall provide Medicaid to 19-, 20-, and 21-year olds in accordance with federal rules and regulations.

(n) The Department of Human Resources shall provide coverage to pregnant women and to children according to the following schedule:

(1) Pregnant women with incomes equal to or less than one hundred eighty-five percent (185%) of the federal poverty guidelines as revised each April 1 shall be covered for Medicaid benefits.

(2) Infants under the age of 1 with family incomes equal to or less than one hundred eighty-five percent (185%) of the federal poverty guidelines as revised each April 1 shall be covered for Medicaid benefits.

(3) Children aged 1 through 5 with family incomes equal to or less than one hundred thirty-three percent (133%) of the federal poverty guidelines as revised each April 1 shall be covered for Medicaid benefits.

(4) Children aged 6 through 18 with family incomes equal to or less than the federal poverty guidelines as revised each April 1 shall be covered for Medicaid benefits.

(5) The Department of Human Resources shall provide Medicaid coverage for adoptive children with

special or rehabilitative needs regardless of the adoptive family's income.

Services to pregnant women eligible under this subsection continue throughout the pregnancy but include only those related to pregnancy and to those other conditions determined by the Department as conditions that may complicate pregnancy. In order to reduce county administrative costs and to expedite the provision of medical services to pregnant women, to infants, and to children described in subdivisions (3) and (4) of this subsection, no resources test shall be applied.

(o) The Department of Human Resources may use Medicaid funds budgeted from program services to support the cost of administrative activities to the extent that these administrative activities produce a net savings in services requirements. Administrative initiatives funded by this section shall be first approved by the Office of State Budget and Management.

(p) The Department of Human Resources shall submit a monthly status report on expenditures for acute care and long-term care services to the Fiscal Research Division and to the Office of State Budget and Management. This report shall include an analysis of budgeted versus actual expenditures for eligibles by category and for long-term care beds. In addition, the Department shall revise the program's projected spending for the current fiscal year and the estimated spending for the subsequent fiscal year on a quarterly basis. Reports for the preceding month shall be forwarded to the Fiscal Research Division and to the Office of State Budget and Management no later than the third Thursday of the month.

(q) The Division of Medical Assistance, Department of Human Resources, may provide incentives to counties that successfully recover fraudulently spent Medicaid funds by sharing State savings with counties responsible for the recovery of the fraudulently spent funds.

(r) If first approved by the Office of State Budget and Management, the Division of Medical Assistance, Department of Human Resources, may use funds that are identified to support the cost of development and acquisition of equipment and software through contractual means to improve and enhance information systems that provide management information and claims processing.

(s) The Division of Medical Assistance, Department of Human Resources, may administer Medicaid estate recovery mandated by the Omnibus Budget Reconciliation Act of 1993, (OBRA 1993), 42 U.S.C. § 1396p(b), and G.S. 108-70.5 using temporary rules pending approval of final rules promulgated pursuant to Chapter 150B of the General Statutes.

(t) The Department of Human Resources may adopt temporary rules according to the procedures established in G.S. 150B-21.1 when it finds that such rules are necessary to maximize receipt of federal funds, to reduce Medicaid expenditures, and to reduce fraud and abuse. Prior to the filing of these temporary rules with the Office of Administrative Hearings, the Department shall consult with the Office of State Budget and Management on

the possible fiscal impact of the temporary rule and its effect on State appropriations and local governments.

CODE NO. 97DHR-H011

Requested by: Representatives Gardner, Cansler, Clary

NONMEDICAID REIMBURSEMENT CHANGES

Section @. Providers of medical services under the various State programs, other than Medicaid, offering medical care to citizens of the State shall be reimbursed at rates no more than those under the North Carolina Medical Assistance Program. Hospitals that provide psychiatric inpatient care for Thomas S. class members or adults with mental retardation and mental illness may be paid an additional incentive payment not to exceed fifteen percent (15%) of their regular daily per diem reimbursement.

The Department of Human Resources may reimburse hospitals at the full prospective per diem rates without regard to the Medical Assistance Program's annual limits on hospital days. When the Medical Assistance Program's per diem rates for inpatient services and its interim rates for outpatient services are used to reimburse providers in non-Medicaid medical service programs, retroactive adjustments to claims already paid shall not be required.

Notwithstanding the provisions of paragraph one, the Department of Human Resources may negotiate with providers of medical services under the various Department of Human Resources programs, other than Medicaid, for rates as close as possible to Medicaid rates for the following purposes: contracts or agreements for medical services and purchases of medical equipment and other medical supplies. These negotiated rates are allowable only to meet the medical needs of its non-Medicaid eligible patients, residents, and clients who require such services which cannot be provided when limited to the Medicaid rate.

Maximum net family annual income eligibility standards for services in these programs shall be as follows:

Family Size	Medical Eye Care Adults	All Rehabilitation	Other
1	$ 4,860	$ 8,364	$ 4,200
2	5,940	10,944	5,300
3	6,204	13,500	6,400
4	7,284	16,092	7,500
5	7,824	18,648	7,900
6	8,220	21,228	8,300
7	8,772	21,708	8,800

8	9,312	22,220	9,300

The eligibility level for children in the Medical Eye Care Program in the Division of Services for the Blind and for adults in the Atypical Antipsychotic Medication Program in the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services shall be one hundred percent (100%) of the federal poverty guidelines, as revised annually by the United States Department of Health and Human Services and in effect on July 1 of each fiscal year. Additionally, those adults enrolled in the Atypical Antipsychotic Medication Program who become gainfully employed may continue to be eligible to receive State support, in decreasing amounts, for the purchase of atypical antipsychotic medication and related services up to three hundred percent (300%) of the poverty level.

State financial participation in the Atypical Antipsychotic Medication Program for those enrollees who become gainfully employed is as follows:

Income (% of poverty)	State Participation	Client Participation
0-100%	100%	0%
101-120%	95%	5%
121-140%	85%	15%
141-160%	75%	25%
161-180%	65%	35%
181-200%	55%	45%
201-220%	45%	55%
221-240%	35%	65%
241-260%	25%	75%
261-280%	15%	85%
281-300%	5%	95%
301%-over	0%	100%.

The Department of Human Resources shall contract at, or as close as possible to, Medicaid rates for medical services provided to residents of State facilities of the Department.

CODE NO. 97DHR-H012

Requested by: Representatives Gardner, Cansler, Clary

DHR EMPLOYEES/IN-KIND MATCH

Section @. Notwithstanding the limitations of G.S. 143B-139.4, the Secretary of the Department of Human Resources may assign employees of the Office of Rural Health and Resource Development to serve as in-kind match to nonprofit corporations working to establish health care programs that will improve health care access while controlling costs.

CODE NO. 97DHR-H013

Requested by: Representatives Gardner, Cansler, Clary

MEDICAL DATA PROCESSING FUNDS

Section @. The sum of one hundred fifty thousand dollars ($150,000) for each of the 1997-98 and 1998-99 fiscal years is transferred from the Insurance Regulatory Fund established pursuant to G.S. 58-6-25 to the Division of Facility Services, Department of Human Resources, to certify statewide data processors pursuant to Article 11A of Chapter 131E of the General Statutes, to purchase data from statewide data processors, and to process and analyze the data.

CODE NO. 97DHR-H014

Requested by: Representatives Gardner, Cansler, Clary

SENIOR CENTER OUTREACH

Section @. (a) Funds appropriated to the Department of Human Resources, Division of Aging, for the 1997-99 fiscal biennium, shall be used by the Division of Aging to enhance senior center programs as follows:

(1) To test "satellite" services provided by existing senior centers to unserved or underserved areas; or

(2) To provide start-up funds for new senior centers.

All of these funds shall be allocated by October 1 of each fiscal year.

(b) Prior to funds being allocated pursuant to this section for start-up funds for a new senior center, the county commissioners of the county in which the new center will be located shall:

(1) Formally endorse the need for a center;

(2) Formally agree on the sponsoring agency for the center; and

(3) Make a formal commitment to use local funds to support the ongoing operation of the center.

(c) State funding shall not exceed ninety percent (90%) of reimbursable costs.

CODE NO. 97DHR-H019

Requested by: Representatives Gardner, Cansler, Clary

FOOD STAMP ELECTRONIC BENEFITS TRANSFER FUNDS SPECIFICATIONS

Section @. The Controller's Office, Department of Human Resources, shall manage the development, implementation, and operation of the Food Stamp Electronic Benefits Transfer Program (EBT).

CODE NO. 97DHR-H020

Requested by: Representatives Gardner, Cansler, Clary

WORK FIRST FRAUD CONTROL PROGRAM/DEBT SETOFF/CLIENT PROTECTION

Section @. (a) The Department of Human Resources, immediately, shall implement the Work First Fraud Control Program pursuant to 45 C.F.R. 235.112 as those regulations were in effect on July 1, 1996.

(b) The Department of Human Resources shall award incentive bonuses to each county for the county's efforts in collecting AFDC and Work First cash assistance overpayments made as a result of intentional false statements, intentional misrepresentation, intentional failure to disclose a material fact, or inadvertent household error.

(1) For collections relative to AFDC or Work First cash assistance payments made prior to January 1, 1997, the incentive bonus shall equal one-half of the State's distributive share of the total AFDC and Work First cash assistance benefits recouped for the reasons described in this subsection. The bonus on these recoupments shall be paid at the time of collection.

(2) For collections relative to Work First cash assistance benefits paid on or after January 1, 1997, the incentive bonus shall equal sixty percent (60%) of the total amount recouped for the reasons described in this subsection. The amount collected by each county during the State fiscal year shall be totaled, and an amount equal to sixty percent (60%) of total collections by a county shall be added to the county's Work First block grant for the next fiscal year.

(c) The Department of Human Resources, Division of Social Services, shall develop and implement a statewide automated system to track AFDC and Work First cash assistance fraud claims and collect these claims by any appropriate method, including debt setoff pursuant to Chapter 105A of the General Statutes.

(d) The Department of Human Resources shall ensure that persons charged with, or suspected of, AFDC or Work First fraud not be subjected to any of the following:

(1) Coercion;

(2) Discrimination in targeting persons for civil action or criminal prosecution; or

(3) Civil investigation or civil action without being (i) properly informed as to those matters that might arise out of the investigation or action that might result in criminal prosecution and (ii) in such a case, being properly advised of their right not to incriminate themselves.

CODE NO. 97DHR-H021

Requested by: Representatives Gardner, Cansler, Clary

ANNUAL REPORT ON CARING PROGRAM FOR CHILDREN, INC.

Section @. The Caring Program for Children, Inc., shall report annually by May 1 to the Joint Legislative Commission on Governmental Operations and to the Fiscal Research Division of the Legislative Services Office, beginning with May 1, 1998, on its program for providing health care for children.

This report shall include the number of children served and the cost per child served.

CODE NO. 97DHR-H015

Requested by: Representatives Gardner, Cansler, Clary

FOSTER CARE ASSISTANCE PAYMENTS

Section @. The maximum rates for State participation in the foster care assistance program are established on a graduated scale as follows:

(1) $315.00 per child per month for children aged birth through 5;

(2) $365.00 per child per month for children aged 6 through 12; and

(3) $415.00 per child per month for children aged 13 through 18.

Of these amounts, fifteen dollars ($15.00) is a special needs allowance for the child.

CODE NO. 97DHR-H016

Requested by: Representatives Gardner, Cansler, Clary

AUTHORIZED ADDITIONAL USE OF HIV FOSTER CARE AND ADOPTIVE FAMILY FUNDS

Section @. (a) In addition to providing board payments to foster and adoptive families of HIV-infected children, as prescribed in Chapter 324 of the 1995 Session Laws, any additional funds remaining that were appropriated in Chapter 324 of the 1995 Session Laws for this purpose shall be used as follows:

(1) To provide medical training in avoiding HIV transmission in the home; and

(2) To transfer funds to the Department of Environment, Health, and Natural Resources to create three social work positions within the Department of Environment, Health, and Natural Resources, for the eastern part of North Carolina to enable the case managing of families with HIV-infected children so that the children and the parents get access to medical care and so that child protective services issues are addressed rapidly and effectively. The three positions shall be medically based and located:

a. One in the northeast, covering Northampton, Hertford, Halifax, Gates, Chowan, Perquimans, Pasquotank, Camden, Currituck, Bertie, Wilson, Edgecombe, and Nash Counties;

b. One in the central east, covering Martin, Pitt, Washington, Tyrrell, Dare, Hyde, Beaufort, Jones, Greene, Craven, and Pamlico Counties; and

c. One in the southeast, covering New Hanover, Robeson, Brunswick, Carteret, Onslow, Lenoir, Pender, Duplin, Bladen, and Columbus Counties.

(b) The maximum rates for State participation in HIV foster care and adoptions assistance are established on a graduated scale as follows:

(1) $800.00 per month per child with indeterminate HIV status;

(2) $1,000 per month per child confirmed HIV-infected, asymptomatic;

(3) $1,200 per month per child confirmed HIV-infected, symptomatic; and

(4) $1,600 per month per child terminally ill with complex care needs.

CODE NO. 97DHR-H017

Requested by: Representatives Gardner, Cansler, Clary

ADOPTION ASSISTANCE PAYMENTS

Section @. The maximum rates for State participation in the adoption assistance program are established on a graduated scale as follows:

(1) $315.00 per child per month for children aged birth through 5;

(2) $365.00 per child per month for children aged 6 through 12; and

(3) $415.00 per child per month for children aged 13 through 18.

CODE NO. 97DHR-H018

Requested by: Representatives Gardner, Cansler, Clary

CHILD PROTECTIVE SERVICES

Section @. (a) The funds appropriated in this act to the Department of Human Resources, Division of Social Services, for the 1997-99 fiscal biennium for Child Protective Services shall be allocated to county departments of social services based upon a formula which takes into consideration the number of Child Protective Services cases and the number of Child Protective Services workers necessary to meet recommended standards adopted by the North Carolina Association of County Directors of Social Services.

(b) Funds allocated under subsection (a) of this section shall be used by county departments of social services for carrying out investigations of reports of child abuse or neglect or for providing protective or preventive services in which the department confirms abuse, neglect, or dependency.

CODE NO. 97DHR-H022

Requested by: Representatives Gardner, Cansler, Clary

REIVEW OF AUTOMATED COLLECTION AND TRACKING SYSTEM

Section @. The Information Resource Management Commission shall conduct a quarterly review of the Automated Collection and Tracking System (ACTS) project being developed by the Department of Human Resources. The review shall include an analysis of the problems encountered and progress achieved, identify critical issues to be resolved, and estimate the final cost and date of completion. The review shall be submitted through the Office of the State Controller to the Chairs of the House and Senate Appropriations Committees, the Chairs of the House and Senate Human Resources Appropriations Subcommittees, the State Budget Director, and to the Director of the Fiscal Research Division of the Legislative Services Office no later than the last day of each quarter.

CODE NO. 97DHR-H030

Requested by: Representatives Gardner, Cansler, Clary

CLINICAL SOCIAL WORKER EXEMPTION

Section @. Section 8 of Chapter 732 of the 1991 Session Laws reads as rewritten:

"Section 8. This act becomes effective January 1, 1992. G.S. 90B-10(b)(3)a. is repealed effective January 1, ~~1997.~~ 1999. The term of the additional Board position for clinical social worker created by this act shall commence upon the expiration of the term of the public member whose term expires first."

CODE NO. 97DHR-H023

Requested by: Representatives Gardner, Cansler, Clary

COMMUNITY-BASED ALTERNATIVES PARTICIPATION

Section @. County governments participating in the Community-Based Alternatives Program shall certify annually to the Division of Youth Services, Department of Human Resources, that Community-Based Alternatives Aid to Counties shall not be used to duplicate or supplant other programs within the county.

CODE NO. 97DHR-H024

Requested by: Representatives Gardner, Cansler, Clary

IMPLEMENT ABC'S PLAN FOR RESIDENTIAL SCHOOLS

Section @. (a) The Department of Human Resources shall plan to implement the State Board of Education's ABC's Plan for all of its residential schools where children are in attendance for more than 120 days a year. The ABC's Plan shall be implemented for the 1998-99 school year, if possible.

(b) The State Board of Education shall assist the Department of Human Resources with the implementation. The Department of Human Resources and the State Board of Education shall:

(1) Identify any policy or technical reason this accountability model cannot be adopted in the residential schools.

(2) Develop accountability standards for each residential school, including baseline data for these standards. Accountability standards shall also be developed to measure improvements in performance among the nondiploma bound students attending the residential schools.

(3) Determine the feasibility of implementing these accountability standards in the 1998-99 school year and propose a phase-in approach, if necessary.

(4) Define the strategies and consequences for State intervention in low-performing residential schools.

(5) Review the site-based management practices within the State Board of Education which, if implemented in the Department of Human Resources, should result in improved student performance.

The State Board of Education and the Department of Human Resources shall report jointly on their progress toward implementation in an interim report to the Joint Legislative Education Oversight Committee by October 1, 1997, and with a final report to that Committee by April 1, 1998.

(c) In addition to the implementation of the ABC's Plan in the Department of Human Resources' residential schools, the State Board of Education and the Department of Human Resources shall study and report on the following issues:

(1) Mandatory accreditation and dual certification of teachers in the residential schools.

(2) Comparison of the staffing and financial resources available to serve special needs children in local education authorities versus residential schools (excluding the residential cost component).

(3) Alignment of the Department of Human Resources' curricula with the State Board of Education's high school vocational educational curriculum, including opportunities for the residential schools to participate in the Tech Prep program with the community colleges.

(4) Strategies for developing select residential schools as resource centers to local educational authorities in serving their special needs children.

CODE NO. 97DHR-H025

Requested by: Representatives Gardner, Cansler, Clary

REIMBURSEMENT AND COMPENSATION OF MEMBERS OF THE NORTH CAROLINA VOCATIONAL REHABILITATION ADVISORY COUNCIL, THE STATEWIDE INDEPENDENT LIVING COUNCIL, AND THE COMMISSION FOR THE BLIND

Section @. Notwithstanding G.S. 138-5(a)(1), those members of the North Carolina Vocational Rehabilitation Advisory Council, the Statewide Independent Living Council, and the Commission for the Blind who are unemployed or who shall forfeit wages from other employment to attend council or commission meetings or to perform related duties, may receive compensation not to exceed fifty dollars ($50.00) a day for attending these meetings or for performing related duties, as authorized in sections 105 and 705 of P.L. 102-569, the Rehabilitation Act of 1973, 42 U.S.C. § 701, et seq., as amended. This compensation is instead of the compensation specified in G.S. 138-5(a)(1). Reimbursement for subsistence and travel expenses is as specified in G.S. 138-5.

CODE NO. 97DHR-H026

Requested by: Representatives Gardner, Cansler, Clary

CHILD CARE SUBSIDIES

Section @. (a) The maximum gross annual income for initial eligibility, adjusted biennially, for subsidized child care services shall be seventy-five percent (75%) of the State median income, adjusted for family size.

(b) Parents who receive child care subsidy to work, look for work, attend work-related training or education activities, or meet the special developmental needs of their child, shall share in the cost of child care. No fees shall be charged to the client when child care services are provided to the individuals in the following circumstances:

(1) When children are receiving child care services in conjunction with protective services as described in 10 NCAC 35E.0106, up to a maximum of 12 months from the time protective services are initiated;

(2) When child care services are provided as a support to a child receiving Child Welfare Services as described in the North Carolina Division of Social Services Family Services Manual, Volume 1, Chapter II; or

(3) When a child with no income is living with someone other than the child's biological or adoptive parent or is living with someone who does not have court-ordered financial responsibility.

(c) Fees shall be established based on a percent of gross family income and adjusted for family size. Fees shall be determined as follows:

FAMILY SIZE	PERCENT OF GROSS FAMILY INCOME
1-3	9%
4-5	8%
6 or more	7%

Local departments of social services shall apply this new fee schedule to recipients at the next eligibility review on or after the effective date of this section.

(d) Rules for the monthly schedule of payments for the purchase of child care services for low-income children shall be established by the Social Services Commission pursuant to G.S. 143-153(8)(a) in accordance with the following requirements:

(1) For child care facilities as defined in G.S. 110-86(3) in which fewer than fifty percent (50%) of

the enrollees are subsidized by State or federal funds, the State shall continue to pay the same fee paid by private paying parents for a child in the same age group in the same facility.

(2) "AA" licensed centers which are certified as developmental day centers by the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services receive one hundred ten percent (110%) of the market rate or the rate they charge private paying parents, whichever is lower, for typically developing children.

(3) The monthly schedule of payments for the purchase of child care services for low-income children from providers who have fifty percent (50%) or more children receiving child care subsidized with State or federal funds include:

a. Provision of payment rates for child care that are tied to the provider's regulatory status as follows:

1. Registered homes and "A" licensed centers receive the market rate or the rate they charge their private paying parents, whichever is lower;
2. "AA" licensed centers receive one hundred ten percent (110%) of the market rate or the rate they charge their private paying parents, whichever is lower; and
3. Unregistered providers receive fifty percent (50%) of the market rate or the rate they charge their private paying parents, whichever is lower.

b. Provision of payment rates for child care providers in counties who do not have at least 75 children in each age group for center-based and home-based care as follows:

1. Payment rates shall be set at the statewide market rate for registered homes and "A" licensed centers.
2. If it can be demonstrated that the application of the statewide market rate to a county with fewer than 75 children in each age group is lower than the county market rate and would inhibit the ability of the county to purchase child

care for low-income children, then the county market rate may be applied.

(e) Payment rates described in sub-subdivision (3)a. of subsection (d) of this section shall be applied to all licensed child care centers, including Head Start Wrap Around, that have fifty percent (50%) or more of enrolled children receiving child care subsidies, and to registered family child care homes and unregulated providers that enroll subsidized children.

(f) A market rate shall be calculated for facilities and homes for each county and for each age group or age category of enrollees and shall be representative of fees charged to unsubsidized private paying parents for each age group of enrollees within the county. The Division of Child Development shall also calculate a statewide market rate for each age category. The Division of Child Development may also calculate regional market rates for each age group and age category.

(g) Facilities licensed pursuant to Article 7 of Chapter 110 of the General Statutes may participate in the program that provides for the purchase of care in child care facilities for minor children of needy families. No separate licensing requirements shall be used to select facilities to participate. In addition, child care facilities shall be required to meet any additional applicable requirements of federal law or regulations.

Child care homes as defined in G.S. 110-86(4) from which the State purchases child care services shall meet the standards established by the Child Day Care Commission pursuant to G.S. 110-101 and G.S. 110-105.1 and any additional requirements of State law or federal law or regulations. Child care arrangements exempt from State regulation pursuant to Article 7 of Chapter 110 of the General Statutes shall meet the requirements established by other State law and by the Social Services Commission.

County departments of social services or other local contracting agencies shall not use a provider's failure to comply with requirements in addition to those specified in this subsection as a condition for reducing the provider's subsidized child care rate.

CODE NO. 97DHR-H027

Requested by: Representatives Gardner, Cansler, Clary

CHILD CARE ALLOCATION FORMULA

Section @. (a) To simplify current child care allocation methodology and more equitably distribute State child care funds, the Department of Human Resources shall apply the following allocation formula to all noncategorical federal and State child care funds used to pay the costs of necessary child care for minor children of needy families:

(1) One-third of budgeted funds shall be distributed according to the county's population in relation to the total population of the State;

(2) One-third of the budgeted funds shall be distributed according to the number of children under 6 years of age in a county who are living in families whose income is below the State poverty level in relation to the total number of children under 6 years of age in the State in families whose income is below the poverty level; and

(3) One-third of budgeted funds shall be distributed according to the number of working mothers with children under 6 years of age in a county in relation to the total number of working mothers with children under 6 years of age in the State.

(b) A county's initial allocation shall not be less than that county's total expenditures for both FSA and non-FSA child care in fiscal year 1995-96.

CODE NO. 97DHR-H028

Requested by: Representatives Gardner, Cansler, Clary

CHILD CARE FUNDS MATCHING REQUIREMENT

Section @. No local matching funds may be required by the Department of Human Resources as a condition of any locality's receiving any State child care funds appropriated by this act unless federal law requires such a match.

CODE NO. 97DHR-H029

Requested by: Representatives Gardner, Cansler, Clary

CHILD DAY CARE REVOLVING LOAN FUND

Section @. Notwithstanding any law to the contrary, funds budgeted for the Child Day Care Revolving Loan Fund may be transferred to and invested by the financial institution contracted to operate the Fund. The principal and any income to the Fund may be used to make loans, reduce loan interest to borrowers, serve as collateral for borrowers, pay the contractor's cost of operating the Fund, or to pay the Department's cost of administering the program.

CODE NO. 97DHR-H009

Requested by: Representatives Gardner, Cansler, and Clary

TRANSFER OF CERTAIN FUNDS AUTHORIZED

Section *. In order to assure maximum utilization of funds in county departments of social services, county or district health agencies, and area mental health, developmental disabilities, and substance abuse services authorities, the Director of the Budget may transfer excess funds appropriated to a specific service, program, or fund, whether specified service in a block grant plan or General Fund appropriation, into another service, program, or fund for local services within the budget of the respective State agency.

CODE NO. 97DHR-H032

Requested by: Representatives Gardner, Cansler, and Clary

ADULT CARE HOMES REPORT

Section *. Beginning October 1, 1997, the Department of Human Resources shall report annually, on the previous fiscal year's activities, to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division of the Legislative Services Office as to the status of the following:

(1) Rate-setting and financing of adult care homes, including the use of Medicaid funds for personal care services;

(2) Quality assurance and enhancement of adult care homes, including case management for residents with special care needs, monitoring of adult care home facilities, and specialized training of direct care staff; and

(3) The process of the evaluation of the Adult Care Home Financing and Quality Assurance Program.

2

CODE NO. 97DHR-H033

Requested by: Representatives Gardner, Cansler, and Clary

MIXED BEVERAGE TAX FOR AREA MENTAL HEALTH PROGRAMS

Section *. Funds received by the Department of Human Resources from the tax levied on mixed beverages under G.S. 18B-804(b)(8) shall be expended by the Department of Human Resources as prescribed by G.S. 18B-805(h). These funds shall be allocated to the area mental health programs for substance abuse services.

3

CODE NO. 97DHR-H034

Requested by: Representatives Gardner, Cansler, and Clary

PHYSICIAN SERVICES

Section *. With the approval of the Office of State Budget and Management, the Department of Human Resources may use funds appropriated in this act for across-the-board salary increases and performance pay to offset similar increases in the costs of contracting with private and independent universities for the provision of physician services to clients in facilities operated by the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services. This offsetting shall be done in the same manner as is currently done with constituent institutions of The University of North Carolina.

CODE NO. 97DHR-H035

Requested by: Representatives Gardner, Cansler, and Clary

LIABILITY INSURANCE

Section *. The Secretary of the Department of Human Resources, the Secretary of the Department of Environment, Health, and Natural Resources, and the Secretary of the Department of Correction may provide medical liability coverage not to exceed one million dollars ($1,000,000) per incident on behalf of employees of the Departments licensed to practice medicine or dentistry, all licensed physicians who are faculty members of The University of North Carolina who work on contract for the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services for incidents that occur in Division programs, and on behalf of physicians in all residency training programs from The University of North Carolina who are in training at institutions operated by the Department of Human Resources. This coverage may include commercial insurance or self-insurance and shall cover these individuals for their acts or omissions only while they are engaged in providing medical and dental services pursuant to their State employment or training.

The coverage provided under this section shall not cover any individual for any act or omission that the individual knows or reasonably should know constitutes a violation of the applicable criminal laws of any state or the United States, or that arises out of any sexual, fraudulent, criminal, or malicious act, or out of any act amounting to willful or wanton negligence.

The coverage provided pursuant to this section shall not require any additional appropriations and shall not apply to any individual providing contractual service to the Department of Human Resources, the Department of Environment, Health, and Natural Resources, or the Department of Correction, with the exception that coverage may include physicians in all residency training programs from The University of North Carolina who are in training at institutions operated by the Department of Human Resources and licensed physicians who are faculty members of The University of North Carolina who work for the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services.

5

CODE NO. 97DHR-H036

Requested by: Representatives Gardner, Cansler, and Clary

PRIVATE AGENCY UNIFORM COST FINDING REQUIREMENT

Section 11.30. To ensure uniformity in rates charged to area programs and funded with State-allocated resources, the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services of the Department of Human Resources may require a private agency that provides services under contract with two or more area programs, except for hospital services that have an established Medicaid rate, to complete an agencywide uniform cost finding in accordance with G.S. 122C-143.2(a) and G.S. 122C-147.2. The resulting cost shall be the maximum included for the private agency in the contracting area program's unit cost finding.

6

CODE NO. 97DHR-H037

Requested by: Representatives Gardner, Cansler, and Clary

CAROLINA ALTERNATIVES

Section *. The Department of Human Resources shall move forward with planning, readiness assessments, and other necessary activities to be able to expand the Carolina Alternatives Child and Adult Waiver Pilot Program. Prior to actual implementation of additional covered populations, the Department shall:

(1) Receive approval from the Health Care Financing Administration;

(2) Continue the 10-site Carolina Alternatives pilot programs;

(3) Make a determination that each area authority that is going to participate in the pilot has the capacity to implement the waiver;

(4) Obtain certification from the Office of State Budget and Management that expansion of Carolina Alternatives is budget neutral, excluding the payment of claims related to the transition from fee-for-service to Medicaid managed care, and authorization from the Office of State Budget and Management to proceed with the pilot;

(5) Evaluate capitation rates to determine if they are adequate to provide appropriate services;

(6) Develop five-year cost estimates for Carolina Alternatives; and

(7) Submit a progress report to the 1997 General Assembly, Regular Session 1998, and the Fiscal Research Division not later than May 1, 1998.

7

CODE NO. 97DHR-H040

Requested by: Representatives Gardner, Cansler, and Clary

THOMAS S. LAWSUIT COMPLIANCE

Section *. The Department of Justice and the Department of Human Resources shall pursue all administrative and legal options necessary to enable the State to resolve the Thomas S. lawsuit in the most expeditious and cost-effective manner possible and to seek elimination of the necessity for oversight by a special master.

CODE NO. 97DHR-H041

Requested by: Representatives Gardner, Cansler, and Clary

EXTEND ADMINISTRATION OF TRI-COUNTY AREA AUTHORITY

Section *. Notwithstanding S.L. 1997-7, the Department of Human Resources may continue to administer the services of the Tri-County Area Authority in accordance with G.S. 122C-125.1 on behalf and at the request of the board of county commissioners of one or more of the counties that constitute the Tri-County Area Authority. The extension granted under this section shall be for a period not to exceed three calendar months commencing July 1, 1997, and shall be for the sole purpose of allowing one or more of the counties that constitute the Tri-County Area Authority to assess the feasibility of combining with another existing area authority.

Requested by: Representatives Gardner, Cansler, and Clary

RECEIPTS OF FEDERAL FUNDS FOR EMERGENCY ASSISTANCE

Section 11.2. The Department of Human Resources may use up to five million dollars ($5,000,000) of federal Title IV-Emergency Assistance funds, received after June 30, 1997, as reimbursement for retroactive claims filed for defined critical needs. The remainder of these funds shall be placed in a reserve for appropriation by the General Assembly. The Department may submit a prioritized list of recommended needs for these funds to the cochairs of the Senate and House Appropriations Subcommittees on Human Resources for consideration.

CODE NO. 97DHR-H042

Requested by: Representatives Gardner, Cansler, and Clary

ANNUAL EVALUATION OF WILDERNESS CAMP, COACH MENTOR TRAINING, AND GOVERNOR'S ONE-ON-ONE PROGRAMS

Section *. The Department of Human Resources shall conduct an annual evaluation of the Wilderness Camp, Coach Mentor Training, and Governor's One-on-One Programs. The results of the evaluation shall be submitted to the Joint Legislative Commission on Governmental Operations no later than October 1 of each year covering the program for the prior fiscal year. In conducting the evaluation, among other things, the focus shall be on directing youth toward long-term positive and productive noncriminal behavior. The review shall be qualitative and quantitative.

11

CODE NO. 97DHR-H043

Requested by: Representatives Gardner, Cansler, and Clary

DYS TRAINING SCHOOLS/STUDENT EVALUATIONS

Section *. The Department of Human Resources shall take immediate steps to ensure that multidisciplinary diagnoses and evaluations, as provided for in G.S. 115C-113, are made on all students in training schools operated by the Division of Youth Services and that the requisite resources and services are provided for all DYS training school students who are identified as children with special needs. The Department may use funds available to provide evaluations, resources, and services, but shall not reduce current DYS services. Lapsed salary funds shall not be used to create new permanent positions.

12

CODE NO. 97DHR-H044

Requested by: Representatives Gardner, Cansler, and Clary

S.O.S. AND FAMILY RESOURCE CENTER GRANT PROGRAMS ADMINISTRATIVE COST LIMITS

Section *. (a) Of the funds appropriated to the Department of Human Resources in this act, not more than three hundred fifty thousand dollars ($350,000) for the 1997-98 fiscal year and not more than three hundred fifty thousand dollars ($350,000) for the 1998-99 fiscal year may be used to administer the S.O.S. Program, to provide technical assistance to applicants and to local S.O.S. programs, and to evaluate the local S.O.S. programs. The Department may contract with appropriate public or nonprofit agencies to provide the technical assistance, including training and related services.

(b) Of the funds appropriated in this act to the Department of Human Resources for the Family Resource Center Grant Program, the Department may use up to two hundred fifty thousand dollars ($250,000) in each fiscal year to administer the Program.

13

CODE NO. 97DHR-H045

Requested by: Representatives Gardner, Cansler, and Clary

DIVISION OF SERVICES FOR BLIND/PERFORMANCE AUDIT

Section *. The Office of the State Auditor shall conduct a performance audit of the Division of Services for the Blind in the Department of Human Resources, to include the Governor Morehead School. The performance audit shall address, but not be limited to, the financial management of the Division. The Office of the State Auditor shall submit the results of the performance audit to the cochairs of the Senate and House Appropriations Subcommittees on Human Resources by January 1, 1998.

CODE NO. 97DHR-H046

Requested by: Representatives Gardner, Cansler, and Clary

SERVICES FOR BLIND/EXTENDED SERVICE PROVIDER POSITIONS

Section *. Of the funds appropriated in this act to the Department of Human Resources, Division of Services for the Blind, the sum of two hundred fifty thousand dollars ($250,000) in each fiscal year of the 1997-99 biennium shall be used to maintain extended service provider positions at local, nonprofit supported employment programs.

ROLL CALL

Date 5-13-97

H. B. # _____

S. B. # _____

AYES	NOES	NAME	AYES	NOES	NAME
✓		Rep. Alma Adams			
✓		Rep. M.W. Aldridge			
✓		Rep. Martha Alexander			
✓		Rep. J.W. Hurley			
✓		Rep. Edd Nye			
✓		Rep. Cindy Watson			
✓		Rep. Charlotte Gardner, Co-Chair			Chairman
✓		Rep. Debbie Clary, Co-Chair			
✓		Rep. Lanier Cansler, Co-Chair			
		Rep. Theresa Esposito, Appropriations Chair			
		Rep. George Holmes, Appropriations, Chair			
		Rep. Leo Daughtry, House Majority Leader			
		Rep. Steve Woods, Pro Temp			

VISITOR REGISTRATION SHEET

Committee: Human Resources (Appropriations) Date: May 13, 1997

VISITORS: Please sign below and return to Committee Clerk.

NAME	FIRM OR STATE AGENCY AND ADDRESS
Lynda McDaniel	DHR/DFS
Jim Tate	NHA/NC-C 2001
Al Delitch	YATO/DOA
Roslyn Savitt	NC Child Care Coalition
John Bowdish	Zeb Alley PA
Byron K. Harris	OSBM
Nels Roseland	OSBM
Bobby Woodard	"
Lee Kitchings	DHR
Jim Edgerton	"
David Kuiton	"
Nina Yeager	OSBM
Debbie Jackson	DHR/OSB
J Craig Owens	DHR/DSDHH
Myra M. Ike	NASW-NC
Brenda Summers	NC Equity
Todd Felts	DCD/DHR
Peggy Boone	DCD/DHR
Liza Lynch	DHR-DSS
Ben Ayscue	NCPTA VAB
Whitney Doug	DMHDDSAS
Steven Shaber	Jordan Price Wall Gray + Jones
Pam Seamans	United Way of NC, Covenant w/NC's children
Megan Soyster	Easter Seal Society of NC
Lay Rogers	CGFA
WA Tilley	NCHA

VISITOR REGISTRATION SHEET

Committee: Human Resources (Appropriations) Date: May 13, 1998

VISITORS: Please sign below and return to Committee Clerk.

NAME	FIRM OR STATE AGENCY AND ADDRESS
Will Long	NCAHC
Tommy Worth	Cardon Health Care Systems
Janet Smeagus	NCARF
Greg Johnson	NCARF - Martin Enterprises
Tom Richardson	OSPL
Wayne Williams	OSBM
Roger Bone	Bone & Assoc / LTC
ANGIE McMILLAN	DHR
DAVE PARKER	DHR
Nicki Yeager	OSBM

APPROPRIATIONS SUBCOMMITTEE ON HUMAN RESOURCES
MINUTES
MAY 14, 1997
8:30 A.M.

The meeting of the Appropriations Subcommittee on Human Resources was called to order by Representative Lanier Cansler at 8:30 a.m. on Wednesday, May 14, 1997. The following members were present:

Representative Cansler	Representative Gardner
Representative Nye	Representative Watson
Representative Hurley	Representative Aldridge
Representative Clary	Representative Adams

Co-Chairman Cansler introduced the pages for the meeting, Molly Hessinger and Christorpher Haydon. The Fiscal Staff was present, Carol Shaw, Karen Hammonds-Blanks and Mary Ellen Sylvester.

Carol Shaw presented a list of positions that have been cut. (See Attachment #1). The department prepared the list and includes all the positions that would be cut by the reductions the committee took last week. Most of the positions are from the Whitaker School (51).

Representative Gardner requested the staff to work with Representative Nye on the language for a Special Provision on Thomas S.

The Senate adopted a Special Provision to keep the department in a supervisory role until Tri-County Area Mental Health is ready to be independent, and the committee needs to keep that, according the Representative Gardner. She said since legislation has passed abolishing the Tri-County Area Mental Health, former members are talking with other area mental health organizations about joining with them but since Tri-County was funded at a lower level, the other organizations are not interested in taking them on if doing so would pull them down in funding. Representative Gardner proposed a special provision for additional funding if they go with another area mental health organization. Former Tri-County members wouldn't get additional money if they didn't form an alliance with another area mental health organization.

Representative Adams asked about cultural diversity of the positions that were cut and are represented on the chart that was handed out (Attachment #1).

The meeting adjourned at 9:50 a.m. The afternoon meeting is cancelled.

Barbara R. Hocutt, Clerk

Representative Lanier Cansler, Co-Chair

5/14/95
Attachment # 1

Positions Under Consideration for Elimination
13-May-97

	Position Number	Position title	Y if Vacant	Race	Gender
Central Admin.	4410-0105-1500-059	GOV POL ADVISOR - C & F		W	M
Central Admin.	4410-0105-1500-060	ADMINISTRATIVE OFFICER II		W	F
Social Services	4440-0000-0010-017	SS PROG. ADM. II	Y		
Social Services	4440-0000-0050-225	SS PROG. CONS. II	Y		
Social Services	4440-0000-0045-015	IMQA ANALYST	Y eff 7/97	W	M
Medical Assistance	4445-0000-0009-303	DMA Nurse I	Y		
Medical Assistance	4445-0000-0006-540	DMA Ser. Consult.	Y		
Medical Assistance	4445-0000-0007-011	Admin Secretary III	Y		
Facility Services	4470-0000-0001-092	APP. PROGRM.II		W	M
Facility Services	4470-0000-0000-208	PROG. ASST. V		W	F
Facility Services	4470-0000-0001-342	LTC COMPLAINT INVESTIGATR		B	M
Whitaker School	4459-0000-0050-001	PROG DIR ADOL REEDUC UNIT		W	M
Whitaker School	4459-0000-0050-002	DHR EDUC COORDINATOR I		W	M
Whitaker School	4459-0000-0050-005	OFFICE ASSISTANT III		W	F
Whitaker School	4459-0000-0050-006	GENERAL UTILITY WORKER		W	M
Whitaker School	4459-0000-0050-007	LEAD NURSE		W	F
Whitaker School	4459-0000-0050-008	LEAD TEACHER		W	F
Whitaker School	4459-0000-0050-009	TEACHER		W	F
Whitaker School	4459-0000-0050-010	TEACHER	Y		
Whitaker School	4459-0000-0050-012	LEAD TEACHER		W	M
Whitaker School	4459-0000-0050-013	ADMINISTRATIVE ASST I		W	M
Whitaker School	4459-0000-0050-014	OFFICE ASSISTANT III		W	F
Whitaker School	4459-0000-0050-015	HUMAN SERV CLIN PRG MGR		W	M
Whitaker School	4459-0000-0050-016	TEACHER		W	F
Whitaker School	4459-0000-0050-017	TEACHER		W	F
Whitaker School	4459-0000-0050-018	TEACHER		W	F
Whitaker School	4459-0000-0050-019	EDUCA/DEVELOP AIDE II		W	F
Whitaker School	4459-0000-0050-020	REHABILITATION THERAPIST		B	M
Whitaker School	4459-0000-0050-021	TEACHER		W	F
Whitaker School	4459-0000-0050-023	EDUCA/DEVELOP AIDE II		B	M
Whitaker School	4459-0000-0050-024	EDUCA/DEVELOP AIDE II		B	F
Whitaker School	4459-0000-0050-025	EDUCA/DEVELOP AIDE II		B	M
Whitaker School	4459-0000-0050-026	EDUCA/DEVELOP AIDE II		W	F
Whitaker School	4459-0000-0050-027	EDUCA/DEVELOP AIDE II	Y		
Whitaker School	4459-0000-0050-028	LEAD TEACHER		W	M
Whitaker School	4459-0000-0050-029	EDUCA/DEVELOP AIDE II		B	F
Whitaker School	4459-0000-0050-030	EDUCA/DEVELOP AIDE II	Y		
Whitaker School	4459-0000-0050-031	EDUCA/DEVELOP AIDE II		B	F
Whitaker School	4459-0000-0050-032	EDUCA/DEVELOP ASSTS SUPV		B	F
Whitaker School	4459-0000-0050-033	EDUCA/DEVELOP ASSTS SUPV		B	M
Whitaker School	4459-0000-0050-034	REHABILITATION THERAPIST		W	F
Whitaker School	4459-0000-0050-035	REHABILITATION THERAPIST		B	M
Whitaker School	4459-0000-0050-036	REHABILITATION THERAPIST		B	M
Whitaker School	4459-0000-0050-037	EDUCA/DEVELOP AIDE II		W	F

Positions Under Consideration for Elimination
13-May-97

	Position Number	Position title	Y if Vacant	Race	Gender
Whitaker School	4459-0000-0050-038	TEACHER		W	F
Whitaker School	4459-0000-0050-039	EDUCA/DEVELOP AIDE II		B	F
Whitaker School	4459-0000-0050-040	EDUCA/DEVELOP AIDE II		B	F
Whitaker School	4459-0000-0050-041	TEACHER		W	M
Whitaker School	4459-0000-0050-042	EDUCA/DEVELOP AIDE II		B	F
Whitaker School	4459-0000-0050-043	REHABILITATION THERAPIST		W	M
Whitaker School	4459-0000-0050-044	EDUCA/DEVELOP AIDE II	Y		
Whitaker School	4459-0000-0050-045	TEACHER		B	M
Whitaker School	4459-0000-0050-046	EDUCA/DEVELOP AIDE II		W	F
Whitaker School	4459-0000-0050-047	THERAPEUTIC REC SPEC I	Y		
Whitaker School	4459-0000-0050-048	REHABILITATION THERAPIST	Y		
Whitaker School	4459-0000-0050-049	REHABILITATION THERAPIST		B	F
Whitaker School	4459-0000-0050-050	EDUCA/DEVELOP AIDE II		B	M
Whitaker School	4459-0000-0050-051	EDUCA/DEVELOP AIDE II		B	M
Whitaker School	4459-0000-0050-052	TEACHER		W	M
Whitaker School	4459-0000-0050-053	EDUCA/DEVELOP AIDE II		B	M
Whitaker School	4459-0000-0050-059	TEACHER		W	M
Whitaker School	4459-0000-0050-065	STAFF PSYCHOLOGIST II		W	F

	Number of Positions	BM	BF	WM	WF
Whitaker School					
Filled	45	10	8	11	16
Vacant	6				
Other					
Filled	6	1	0	3	2
Vacant	5				
Total					
Filled	51	11	8	14	18
Vacant	11				

VISITOR REGISTRATION SHEET

Committee: Human Resources Appropriations Date: May 14, 1997

VISITORS: Please sign below and return to Committee Clerk.

NAME	FIRM OR STATE AGENCY AND ADDRESS
Rickie Strut	PPAB
Curt Williams	Governors Office
P. Herring	DMA/DHR
[illegible]	OSBM
[illegible]	DHR
[illegible]	DOR
[illegible]	DOR
Bobby Woodard	OSBM
NELS ROSELAND	OSBM
Byron K. Harris	OSBM
Sonia Schmidt	NCJCDC
Roslyn Sarratt	NCCCC
Lawrence Davis	Health Information Information Services
[illegible]	MH/DA/SAS

VISITOR REGISTRATION SHEET

Committee: APPROPRIATION HUMAN RESOURCES Date: MAY 6 1997

VISITORS: Please sign below and return to Committee Clerk.

NAME	FIRM OR STATE AGENCY AND ADDRESS
DAN GERLACH	NC BTC
Helen Lynne	Mech. Co.
Doris Dick	Senior Tar Heel Legislature
Roz Sawyer	NC Child Care Coalition
Suzanne Williams	BCBSNC & ASSOC.
Joyce Johnson	DHR Controller's office
Steve Johnson	DMHDDSAS
Don Walker	" " "
Charles Dennis	" " "
Bob Moore	" " "
Phillip Hoffman	" " "
Lisa Aycock	DHR- DSS
Sharnise Ransome	" "
Kevin FitzGerald	" "
Frank Bahnik	" Internal Audit
Joanne Perrin	DHR
Steve Graber	Jordan Price Wall Gray Jones
Tommy Worth	Carolinas Health Care Systems
Evelyn Hawthorne	NCHA
Lynda McDaniel	DHR/DFS
Lee Kitchings	DHR
DAVE BRUTON	DHR
Jim Blanton	DHR
Dick Hensey	DHR
MEL CROCKER	DHR
Angie McMillan	DHR

APPROPRIATIONS SUBCOMMITTEE ON HUMAN RESOURCES

MINUTES
MAY 15, 1997
8:30 A.M.

Representative Lanier Cansler presided over the Thursday, May 15, 1997 meeting of the Appropriations Subcommittee on Human Resources which was convened at 8:30 a.m. The following members were present:

Representative Edd Nye	Representative Alma Adams
Representative Debbie Clary	Representative Charlotte Gardner
Representative Bill Hurley	Representative Lanier Cansler

Representative Henry Aldridge, excused

Representative Cansler introduced the pages serving today and called on staff to review the Department of Human Resources Block Grants (See attachment #1). Carol Shaw, Karen Hammonds-Blanks and Mary Ellen Sylvester are the Human Resources Fiscal Staff members.

Due to questions from Representatives Adams, Watson and Hurley, action on the Community Services Block Grant presented by Staff member Karen Hammonds-Blanks was deferred until information can be made available by the department on where the dollars are going and how long they have they've been allocated.

The Mental Health Services Block Grant also presented by Ms. Hammonds-Blanks was deferred until questions about the amount of money used for administrative costs posed by Representatives Nye and Gardner are resolved. The department will furnish a breakout of the use of the money and explain what is meant by "new initiatives".

The Low Income Home Energy Assistance Program Block Grant (LIHEAP) was moved for adoption by Representative Bill Hurley, and the motion passed.

The committee began consideration of Special Provisions (See Attachment #2) furnished by the Human Resources Fiscal Staff, the disposition of which was as follows:

1. **FIRE PROTECTION REVOLVING LOAN FUND** - Representative Gardner moved adoption which passed.
2. **RECEIPTS OF FEDERAL FUNDS FOR EMERGENCY ASSISTANCE** - Representative Gardner moved its adoption which passed.
3. **FAMILY SUPPORT/DEAF AND HARD OF HEARING SERVICES CONTRACT** - Representative Adams moved its adoption which passed.
4. **GOVERNOR MOREHEAD SCHOOL/TEXTBOOK FUNDS** - Representative Gardner moved its adoption which passed.

5. **EFFICIENCY STUDY OF STATE PSYCHIATRIC HOSPITALS** - Representative Gardner moved its adoption which passed.
6. **STUDY DOWNSIZING OF MENTAL RETARDATION CENTERS** - Representative Watson moved its adoption which passed.
7. **WILLIE M.** - Representative Hurley moved its adoption which passed.
8. **THOMAS S.** - Representative Adams moved its adoption which passed.
9. **THOMAS S. FUNDS/COST CONTAINMENT** - Ms. Hammonds-Blanks introduced language change referring to DD long term management. Representative Gardner requested language requiring the committee meeting in the interim to report to the Appropriations Human Resources Subcommittee. This measure was deferred for redrafting.
10. **MENTAL HEALTH COMMITTMENT LAW/THOMAS S.** - Representative Gardner moved its adoption which passed.
11. **LIMITATION ON USE OF SPECIAL ALZHEIMER'S UNIT IN WILSON** - Representative Gardner pointed out that they reported to Government Operations, and asked for language requiring the department to report to the Appropriations Human Resources Subcommittee. The provision will be redrafted to reflect that request.
12. **LIMITATIONS ON STATE ABORTION FUND** - Representative Gardner moved its adoption which passed.

Representative Cansler announced that anyone who had special provisions they want considered to let them know. The committee will begin work on the Expansion Budget next week. There being no further discussion, the meeting was adjourned at 10:00 a.m.

Barbara R. Hocutt

Barbara R. Hocutt, Clerk

Lanier M. Cansler

Representative Lanier Cansler, Co-Chair

LC:brh
attachments

5/15/97

Attachment #1

Department of Human Resources

Block Grants

DEPARTMENT OF HUMAN RESOURCES
OFFICE OF ECONOMIC OPPORTUNITY

COMMUNITY SERVICES BLOCK GRANT (CSBG)

For the State fiscal year 1997-98 the funding level is estimated to be $12,828,926.

GENERAL DESCRIPTION

The Community Services Block Grant Program makes federal funds available to states to provide a range of services designed to assist low-income persons attain the skills, knowledge, and motivation necessary to achieve self-sufficiency.

The primary providers of services under this grant, as required by federal law, are the thirty-six Community Action Agencies (CAAs) in the state. Other grantees are seven Limited Purpose Agencies (LPAs) who were recipients of similar funds prior to the inception of the Community Services Block Grant Program. CAAs operate programs under the Community Services Block Grant in coordination with other federal, state, and local programs such as Head Start, Emergency Homeless, Weatherization, and Section 8 Rental Assistance.

Community Services Block Grant funds are used to provide a wide variety of services in local communities to serve identified needs of poor families. Programs allowed under the Community Services Block Grant Act are those which provide activities designed to assist low-income participants including the elderly poor:

- to secure and retain meaningful employment;
- to attain an adequate education;
- to make better use of available income;
- to obtain and maintain adequate housing and a suitable living environment;
- to obtain emergency assistance through loans or grants to meet immediate and urgent individual and family needs, including the need for health services, nutritious food, housing, and employment-related assistance;
- to remove obstacles and solve problems which block the achievement of self sufficiency;
- to achieve greater participation in the affairs of the community; and
- to make more effective use of other programs related to promoting the well being of the low-income population.

The specific services operated in each local community are determined by the local agency as a result of an assessment of the needs of low-income individuals and families in their service area which is used to develop a multi-year plan for services.

As required by the Community Services Block Grant Act, ninety per cent of the funds received are distributed to the thirty-six Community Action Agencies (CAAs) located throughout the state. Five percent, which is the maximum allowed by federal law, is used by the Department to administer the Program. The remainder is used to fund seven non-profit organizations known as Limited Purpose Agencies (LPAs).

Approximately twenty thousand low-income individuals are served annually under the program.

RECOMMENDATIONS	ALLOCATION
1. Allocate $641,446 to the Department of Human Resources to administer the grant. Staff renders technical assistance and monitors the Community Action Agencies and Limited Purpose Agencies for compliance with federal laws and regulations.	$641,446
2. Allocate $11,546,034 to the 36 Community Action Agencies (CAAs) which serve 86 counties for the purpose of providing administrative costs and to assist low-income families with housing, emergency assistance, education, energy, nutrition, income management, information and referral, and outreach. Federal rules require that 90% of the grant be allocated to CAAs.	$11,546,034
3. Allocate the remaining 5% of the grant in the amount of $641,446 to Limited Purpose Agencies which are agencies that address a specific need or population. The allocation and agency is as follows: - Telamon which provides assistance to seasonal and migrant farm workers ($80,181) - Low Income Housing Development Corporation (LIHDC) which assists non-profit agencies in packaging loans for housing construction and rehabilitation ($98,141) - N.C. Rural Fund for Development (NCRFD) which provides technical assistance to credit unions and cooperatives which serve low-income individuals and families ($233,486) - N.C. Senior Citizens Federation which sponsors statewide activities for low-income senior citizens ($116,743)	$641,446

- Western Economic Development Organization (WEDO) which assists organizations serving low-income and handicapped individuals secure manufacturing contracts ($61,579)
- United Senior Services which provides activity programs for senior citizens in Craven County ($24,375)
- N.C. Commission of Indian Affairs which provides programs for low-income Native Americans in the state in coordination with local tribal organizations ($26,941)

TOTAL FUNDING SFY 1997-98	$12,828,926
SOURCE OF FUNDS:	
BLOCK GRANT FUND FFY 1997	$3,207,232
BLOCK GRANT FUND FFY 1998	$9,621,694

DIVISION OF ECONOMIC OPPORTUNITY
Analysis of Community Services Block Grant
SFY 1997-1998

Item Number	Title	Actual SFY 95-96	Appropriated SFY 96-97 (HB 53)	Recommended Amount SFY 97-98	Appropriated/ Recommended Difference	Explanation of Difference
1	Admin	$426,339	$511,044	$641,446	$130,402	Administration is limited to 5% of the grant award and varies based on the award amount.
2	CAAs	$9,198,794	$9,198,794	$11,546,034	$2,347,240	Funds awarded to CAAs must be 90% of the total allocation and is based on award amount.
3	LPAs	$511,044	$511,044	$641,446	$130,402	Funds awarded to LPAs is 5% of the grant. award and varies based on the award amount.
TOTAL		$10,136,177	$10,220,882	$12,828,926	$2,608,044	Difference represents the increase in the federal grant award for this period.

57

Department of Human Resources
Division of Mental Health, Developmental Disabilities
and Substance Abuse Services
Mental Health Services Block Grant
(MHBG) SFY 1998

FUNDING LEVEL

Federal funding available to North Carolina is $6,238,341 for FFY 97 and an estimated amount of $6,238,341 for FFY 98. The proposed MHGB plan utilizes the remaining FFY 97 amount of $2,549,000 plus $3,689,341 from the anticipated FFY 98 award.

Congress, as part of the block grant authorization legislation in FY 93, separated the Alcohol, Drug Abuse and Mental Health Block Grant into distinct mental health and substance abuse block grants.

GENERAL DESCRIPTION

The MHBG provides federal financial assistance to states for the provision of community-based services for the mentally ill. Services provided through the use of the block grant must be those described in the State's Plan in accordance with Federal P.L. 102-321. These services include outpatient, day treatment, psychosocial rehabilitation, emergency services, residential services, etc.

SIGNIFICANT FEDERAL REQUIREMENTS

The authorization and separation of the block grant was accompanied by changes in federal requirements. The primary Federal requirement related to the MHBG is:

Funds must be used for services specified in the States' Plan in accordance with P.L. 102-321.

PROPOSED EXPENDITURE PLAN:		ALLOCATION
I.	**Adult Mental Health Plan**	
	Allocate funds to local programs to provide community-based services for individuals with severe and persistent mental illness in accordance with the N.C. Community Mental Health Services Plan and Block Grant Application. Community-based programs provide an array of services, including crisis stabilization designed to divert individuals from institutional admission; liaison and case management services which facilitate the discharge of individuals from the state's psychiatric hospitals; special programs for the hearing impaired; and training activities.	$3,794,179
II.	**Child Mental Health Plan**	
	Continuation of Child Mental Health services in accordance with the North Carolina Community Mental Health Services Plan and Block Grant Application such as programs for adolescent sex offenders, respite services, family preservation programs, group homes, specialized foster care, therapeutic homes, professional parenting programs, and training.	$1,819,931
III.	**Administration**	
	Applicable to 5% of Administrative Cap (Monitoring, Data Collection, Budgeting, Payments and Accounting)	$305,552
	Not Applicable to 5% Administrative Cap (Contracts for Non-administrative Activities and Technical Assistance to Service Providers)	$318,679
	TOTAL REQUIREMENTS	$6,238,341
	Source of Funds	
	MHBG FFY 97	$2,549,000
	MHBG FFY 98	$3,689,341
	TOTAL FUNDS	$6,238,341

ITEM NUMBER	TITLE	ACTUAL FY 95-96	APPROPRIATED SFY 96-97	AUTHORIZED 96-97 2/28/97	RECOMMENDED 97-98
1	Adult Mental Health	$3,754,147	$3,794,179	$3,811,752	$3,794,179
2	Child Mental Health	1,779,692	1,802,819	1,821,720	1,819,931
3	Administration	579,399	572,897	722,881	624,231
	TOTAL	$6,113,238	$6,169,895	$6,356,353	$6,238,341

The Difference between the Appropriated and Authorized amounts are due to carryover revisions 11-439 ($132,507) and revision 11-480 ($53,951) for a total of $186,458.

ITEM NUMBER	TITLE	CERTIFIED BUDGET SFY 96-97	RECOMMENDED AMOUNT SFY 97-98	DIFFERENCE	EXPLANATION OF DIFFERENCE
1	Adult Mental Health	$3,794,179	$3,794,179	0	
2	Child Mental Health	1,802,819	1,819,931	17,112	Additional funds will be used to provide training for local service delivery staff on a variety of topics, such wrap around services, treating youthful sex offenders, etc.
3	Administration	572,897	624,231	51,334	Additional funds will be used to contract for the development of training curricula around the various aspects of serving persons with mental illness.
	TOTAL	$6,169,895	$6,238,341	68,446	

DEPARTMENT OF HUMAN RESOURCES
DIVISION OF SOCIAL SERVICES

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM BLOCK GRANT (LIHEAP)

For state fiscal year 1997-98, the total state Low Income Energy Program allocation is currently estimated to be $18,267,603 based on current projections that the FFY 98 award will be this amount.

GENERAL DESCRIPTION

The purpose of the Low Income Home Energy Assistance Program Block Grant is to provide funds to help low income families cope with cost increases of heating fuel and to provide emergency assistance. There are two components:

1. Low Income Home Energy Assistance Payments - Funds are used to provide a one-time payment to eligible households to help pay heating bills.

2. Crisis Intervention Assistance - Funds are used to assist low income people when a heating or cooling related crisis occurs. Allocations are provided to county departments of social services to make direct payments, vendor payments, or to provide in-kind services for eligible households.

RECOMMENDATIONS

1.	Allocation for Low Income Energy Assistance payments.	$ 6,284,055	
2.	Allocation for the Crisis Intervention Program.	$ 6,393,661	
3.	Allocation to the Department of Commerce for Weatherization Program.	$ 4,128,479	*
4.	Allocation for application taking by the Commission on Indian Affairs.	$ 33,022	
	Subtotal	$16,839,217	

* If the weatherization waiver is denied for FFY 98, the allocation would be reduced from 22.6% to 15% of the total or $2,740,140, and the Crisis Intervention Program allocation would be increased to 42.6% of the total or $7,782,000.

5.	Allocation for county administrative cost of the Low Income Energy Assistance Payments Program and the Crisis Intervention Program.	$1,285,547
6.	Allocation for state administrative cost of the Low Income Energy Assistance Payments Program and the Crisis Intervention Program.	$142,839
	Subtotal Administration	$ 1,428,386
	TOTAL	$18,267,603

SOURCE OF FUNDS:

LIEAP Block Grant FY 1998	$ 18,267,603

VISITOR REGISTRATION SHEET

Committee: Human Resources Appropriations Date: May 14, 1997

VISITORS: Please sign below and return to Committee Clerk.

NAME	FIRM OR STATE AGENCY AND ADDRESS
Lynda McDaniel	DHR/DFS
John Rustic	NCFPC
Doris Dick	Speaker Service for Hse Legislature
Jim Tate	NHA/NC (2001)
Richard E. Choate	NCBHCA (CPA) NCCCMH/DDDSAS
Jack Simoneau	NCARF
Helen Lipman	Meck. Co.
J. Perkins	DVRS
Bonnie Cramer	DHR - Aging
J Craig Green	DHR - Deaf & HoH
Debbie Jackson	DHR - Blind
Richard Tripeout	DHR / Youth Services
Angie McMillan	DHR
Megan Soyster	Easter Seals
Paula Wolf	Covenant w/ NC Children
Douglas Blum	United Way of NC
Myra Mills	NASW-NC
Staingl	DHR-DCD
Todd Fehl	DHR - DCD
Tom Richardson	OSPL
Wayne Williams	OSBM
Tommy Watts	Carolinas HealthCare System
Whitney Wing	DHHODSAS
Ward N. Brooks	Office of Economic Oppt. / DHR
Linda Summers	NC Equity
Shannon Lawson	DSS

VISITOR REGISTRATION SHEET

Committee: Appropriations Human Resources Date: May 6, 1997

VISITORS: Please sign below and return to Committee Clerk.

NAME	FIRM OR STATE AGENCY AND ADDRESS
Walter Stelle	DMHDDSAS
John Baggett	"
Mark Law Davis	DHR
Becki Strat	
Richard Tideout	DHR
Byron K. Harris	OSBM

5/15/97

Attachment #2

House Subcommittee on Human Resources Appropriations

Special Provisions

1997-99 Biennium

Drafting & Fiscal Research Divisions *May 15, 1997*

CODE NO. 97DHR-H054

Requested by: Representatives Gardner, Cansler, Clary

FIRE PROTECTION REVOLVING LOAN FUND

Section @. Proceeds from the Fire Protection Revolving Loan Fund, established pursuant to G.S. 122A-5.13, may be used to provide staff support to the North Carolina Housing Finance Agency for loan processing and to the Department of Human Resources for review and approval of fire protection plans and inspection of fire protection systems.

Gardner - moved - passed

CODE NO. 97DHR-H031A

Requested by: Representatives Gardner, Cansler, Clary

RECEIPTS OF FEDERAL FUNDS FOR EMERGENCY ASSISTANCE

Section @. The Department of Human Resources may use up to twenty-five percent (25%) of federal Title IV-Emergency Assistance funds, received after June 30, 1997, as reimbursement for retroactive claims filed for defined critical needs. The remainder of these funds shall be placed in a reserve for appropriation by the General Assembly. The Department may submit a prioritized list of recommended needs for these funds to the cochairs of the Senate and House Appropriations Subcommittees on Human Resources for consideration.

Gardner moved - accepted

CODE NO. 97DHR-H048

Requested by: Representatives Gardner, Cansler, and Clary

FAMILY SUPPORT/DEAF AND HARD OF HEARING SERVICES CONTRACT

Section @. Of the funds appropriated in this act to the Division of Services for the Deaf and Hard of Hearing, Department of Human Resources, for family support services, the sum of five hundred three thousand two hundred thirty-eight dollars ($503,238) for the 1997-98 fiscal year and the sum of five hundred three thousand two hundred thirty-eight dollars ($503,238) for the 1998-99 fiscal year shall be used to contract with a private, nonprofit corporation licensed to do business in North Carolina to perform those services, including family support and advocacy services as well as technical assistance to professionals who work with families of hearing-impaired children.

Adams moved - agreed

3

CODE NO. 97DHR-H047

Requested by: Representatives Gardner, Cansler, and Clary

GOVERNOR MOREHEAD SCHOOL/TEXTBOOK FUNDS

Section @. Of the funds appropriated in this act to the Division of Services for the Blind, the sum of twelve thousand four hundred eight dollars ($12,408) for the 1997-98 fiscal year and the sum of twelve thousand four hundred eight dollars ($12,408) for the 1998-99 fiscal year shall be used to increase funding for textbooks or for adaptive technology, or both, for student education at the Governor Morehead School. Funds for this purpose shall be part of the Division's continuation budget request.

Gardner moved – accepted

4

CODE NO. 97DHR-H005

Requested by: Representative Cansler

EFFICIENCY STUDY OF STATE PSYCHIATRIC HOSPITALS

Sec. @. (a) The Department of Human Resources shall contract with an independent consulting firm with proven experience in hospital administration/management to conduct a study of the management and operation of the four State psychiatric hospitals. The purpose of the study shall be to identify areas for improved operations and efficiency. The study shall address, but not be limited to, patient-to-staff ratios, cost efficiency of the various patient units within the hospitals, and potential areas for achieving greater cost efficiencies by contracting with private providers. Contract services shall be paid for from funds available to the Department.

(b) The results of the study and the Department's response to the study shall be provided to the cochairs of the House Appropriations Subcommittee on Human Resources and the Fiscal Research Division not later than February 3, 1998.

Gardner moved - passed

5

CODE NO. 97DHR-H057

Requested by: Representatives Gardner, Cansler, Clary

STUDY DOWNSIZING OF MENTAL RETARDATION CENTERS

Sec. @. The Department of Human Resources shall conduct a study of the impact of the plan for downsizing mental retardation centers currently being implemented by the Department. The study shall include the time period from the commencement of implementation through June 30, 1996. The study shall include, but is not limited to, the impact on patient census, staffing in general, staff-to-patient ratios, budget changes, placement of clients in the community, and development of community services for developmental disability clients. The Department shall provide the results of the study to the House Appropriations Subcommittee on Human Resources and the Fiscal Research Division not later than March 2, 1998.

Watson moved - agr

6

CODE NO. 97DHR-H038

Requested by: Representatives Gardner, Cansler, and Clary
WILLIE M.

Section *. (a) Legislative Findings. -- The General Assembly finds:

(1) That there is a need in North Carolina to provide appropriate treatment and education programs to children under the age of 18 who suffer from emotional, mental, or neurological handicaps accompanied by violent or assaultive behavior;

(2) That children meeting these criteria have been identified as a Class in the case of **Willie M., et al. v. Hunt, et al.**, formerly **Willie M., et al. v. Martin, et al.** [**Willie M.**, 3:79 CV 294-MU (Western District); and as defined in G.S. 122C-3(13a) as Eligible Assaultive and Violent Children]; and

(3) That these children have a need for a variety of services, in addition to those normally provided, that may include, but are not limited to, residential treatment services, educational services, and independent living arrangements.

(b) Funds appropriated by the General Assembly to the Department of Human Resources for serving members of the Willie M. Class shall be expended only for programs serving members of the Willie M. Class identified in **Willie M., et al. v. Hunt, et al.**, formerly **Willie M., et al. v. Martin, et al.**, [or as Eligible Assaultive and Violent Children] including evaluations of potential Class members. The Department shall reallocate these funds among services to Willie M. Class members during the year as it deems advisable in order to use the funds efficiently in providing appropriate services to Willie M. Class members.

(c) Funds for Department of Public Education. -- Funds appropriated to the Department of Public Education in this act for members of the Willie M. Class are to establish a supplemental reserve fund to serve only members of the Class identified in **Willie M., et al. v. Hunt, et al.**, formerly **Willie M., et al. v. Martin, et al.**, [or as Eligible Assaultive and Violent Children]. These funds shall be allocated by the State Board of Education to the local education agencies to serve those Class members who were not included in the regular average daily membership and the census of children with special needs, and to provide the additional program costs which exceed the per pupil

Hurley moves - approved

allocation from the State Public School Fund and other State and federal funds for children with special needs.

(d) The Department of Human Resources shall continue to implement its prospective unit cost reimbursement system and shall ensure that unit cost rates reflect reasonable costs by conducting cost center service type rate comparisons and cost centerline item budget reviews as may be necessary, and based upon these reviews and comparisons, the Department shall reduce and/or cap rates to programs which are significantly higher than those rates paid to other programs for the same service.

Any exception to this requirement shall be approved by the Director of the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, and shall be reported in the Department's annual joint report to the Governor and the General Assembly and in any periodic report the Department may make to the Joint Legislative Commission on Governmental Operations.

(d1) The Department of Human Resources shall implement a process to review those cases for whom treatment has been recommended whose annual cost is anticipated to be in excess of one hundred fifty percent (150%) of the average annual per client expenditure of the previous fiscal year and shall take actions to reduce these treatment costs where appropriate.

(e) The Department of Human Resources and the Department of Public Education shall submit, by May 1 of each fiscal year, a joint report to the Governor and the General Assembly on the progress achieved in serving members of the Willie M. Class. The report shall include the following unduplicated data for each area program/authority: (i) the number of children nominated for the Willie M. Class; (ii) the number of children actually identified as members of the Class in each area program/authority; (iii) the number of children served as members of the Class in each area program/authoroity; (iv) the number of children who remain unserved or for whom additional services are needed in order to be determined to be appropriately served; (v) the types and locations of treatment and education services provided to Class members; (vi) the cost of services, by type, to members of the Class and the maximum and minimum rates paid to providers for each service; (vii) the number of cases whose treatment costs were in excess of one hundred fifty percent (150%) of the average annual per client expenditure; (viii) information on the impact of treatment and education services on members of the Class; (ix) an explanation of, and justification for, any waiver of departmental rules that affect

the Willie M. program; and (x) the total State funds expended, by program, on Willie M. Class members, other than those funds specifically appropriated for the Willie M. programs and services.

(e1) From existing funds available to it, the Department of Human Resources shall begin a process to document and assess individual Class members' progress through the continuum of services. Standardized measures of functioning shall be administered periodically to each member of the Class, and the information generated from these measures shall be used to assess client progress and program effectiveness.

(f) The Departments of Human Resources and Public Education shall provide periodic reports of expenditures and program effectiveness on behalf of the Willie M. Class to the Fiscal Research Division. As part of these reports, the Departments shall explain measures they have taken to control and reduce program expenditures.

(g) In fulfilling the responsibilities vested in it by the Constitution of North Carolina, the General Assembly finds:

(1) That the General Assembly has evaluated the known needs of the State and has endeavored to satisfy those needs in comparison to their social and economic priorities; and

(2) That the funds appropriated will enable the development and implementation of placement and services for the Class members in **Willie M., et al. v. Hunt, et al.**, formerly **Willie M., et al. v. Martin, et al.**, [or Eligible Assaultive and Violent Children] within a reasonable period of time considered within the context of the needs of the Class members, the other needs of the State, and the resources available to the State.

(h) The General Assembly supports the efforts of the responsible officials and agencies of the State to meet the requirements of the court order in **Willie M., et al. v. Hunt, et al.**, formerly **Willie M., et al. v. Martin, et al.**, **[Willie M.,** 3:79 CV 294-MU (Western District)]. To ensure that Willie M. Class members are appropriately served, no State funds shall be expended on placement and services for Willie M. Class members except:

(1) Funds specifically appropriated by the General Assembly for the placement and services of Willie M. Class members; and

(2) Funds for placement and services for which Willie M. Class members are otherwise eligible.

This limitation shall not preclude the use of unexpended Willie M. funds from prior fiscal years to cover current or future needs of the Willie M. program subject to approval by the Director of the Budget. These Willie M. expenditures shall not be subject to the requirements of G.S. 143-18.

(i) Notwithstanding any other provision of law, if the Department of Human Resources determines that a local program is not providing appropriate services to members of the Class identified in **Willie M., et al. v. Hunt, et al.**, formerly **Willie M., et al. v. Martin, et al.**, [or as Eligible Assaultive and Violent Children] the Department may ensure the provision of these services through contracts with public or private agencies or by direct operation by the Department of these programs.

Hurley moved
Passed

10

CODE NO. 97DHR-H039

Requested by: Representatives Gardner, Cansler, Clary

THOMAS S.

Section @. (a) Funds appropriated to the Department of Human Resources in this act for the 1997-98 fiscal year and the 1998-99 fiscal year for members of the Thomas S. Class as identified in **Thomas S., et al. v. Britt**, formerly **Thomas S., et al. v. Flaherty**, [**Thomas S. et al. v. Bruton**, Thomas S., C-C-82-0418M (Western District)] shall be expended only for programs serving Thomas S. Class members or for services for those clients who are:

(1) Adults with mental retardation, or who have been treated as if they had mental retardation, who were admitted to a State psychiatric hospital on or after March 22, 1984, and who are included on the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services' official list of prospective Class members;

(2) Adults with mental retardation who have a documented history of State psychiatric hospital admissions regardless of admission date and who, without funding support, have a good probability of being readmitted to a State psychiatric hospital;

(3) Adults with mental retardation who have never been admitted to a State psychiatric hospital but who have a documented history of behavior determined to be of danger to self or others that results in referrals for inpatient psychiatric treatment and who, without funding support, have a good probability of being admitted to a State psychiatric hospital; or

(4) Adults who are included on the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services' official list of prospective Class members and have yet to be confirmed as Class members, who currently reside in the community, and who have a good probability of being admitted to a facility licensed as a "home for the aged and disabled".

No more than five percent (5%) of the funds appropriated in this act for the Thomas S. program shall be used for clients meeting subdivisions (2), (3), or (4) of this subsection.

(b) To ensure that Thomas S. Class members are appropriately served, no State funds shall be expended on placement and services for Thomas S. Class members except:

(1) Funds specifically appropriated by the General Assembly for the placement and services of Thomas S. Class members; and

(2) Funds for placement and services for which Thomas S. Class members are otherwise eligible.

(b1) Thomas S. funds may be expended to support services for Thomas S. Class members in adult care homes when the service needs of individual Class members in these homes cannot be met via the established maximum adult care home rate.

(c) The Department of Human Resources shall continue to implement a prospective unit cost reimbursement system and shall ensure that unit cost rates reflect reasonable costs by conducting cost center service type rate comparisons and cost center line item budget reviews as may be necessary.

(d) The Department of Human Resources shall submit by April 1 of each fiscal year a report to the General Assembly on the progress achieved in serving members and prospective members of the Thomas S. Class. The report shall include the following:

(1) The number of Thomas S. clients confirmed as Class members;

(2) The number of prospective Class members;

(3) The number of confirmed Class members awaiting services;

(4) The number of Class members or prospective Class members added in the preceding 12 months due to their admission to a State psychiatric hospital;

(5) A description of the types of treatment services provided to Class members;

(6) An analysis of the use of funds appropriated for the Class; and

(7) The total State funds expended, by program, on Thomas S. class members, other than those funds specifically appropriated for the Thomas S. program and services.

(e) Notwithstanding any other provision of law, if the Department of Human Resources determines that a local program is not providing minimally adequate services to members of the Class identified in **Thomas S., et al. v. Britt**, formerly **Thomas S., et al. v. Flaherty**, [**Thomas S. et al. v. Bruton**, Thomas S. C-C-82-0418M (Western District)] or does not show a willingness to do so, the Department may ensure the provision of these services

through contracts with public or private agencies or by direct operation by the Department of these programs.

Adams moved - passed

13

CODE NO. 97DHR-H058

Requested by: Representatives Gardner, Cansler, Clary

THOMAS S. FUNDS/COST CONTAINMENT

Section @. (a) If Thomas S. funds are not sufficient, then notwithstanding G.S. 143-16.3 and G.S. 143-23, the Director of the Budget may use funds available to the Department in an amount not to exceed fifteen million two hundred thousand dollars ($15,200,000).

(b) The Department of Human Resources, in conjunction with area mental health programs, shall develop and implement cost containment measures to reduce the cost of direct services. The Department shall develop these strategies to emphasize positive client outcomes rather than process. These measures shall include but not be limited to the following:

(1) Reduction of those process-oriented tasks required by the State, including, but not limited to, tasks required by the Divisions of: Medical Assistance, Vocational Rehabilitation Services, Social Services, Facilities Services, and Mental Health, Developmental Disabilities, and Substance Abuse Services;

(2) Single stream funding from all available sources;

(3) Waivers of federal requirements in order to comply with the federal court order; and

(4) Review and, if necessary amend~~ment~~ or repeal of rules that conflict or otherwise interfere with cost containment measures.

Redraft

14

CODE NO. 97DHR-H003

Requested by: Representatives Gardner, Cansler, and Clary

MENTAL HEALTH COMMITTMENT LAW/THOMAS S.

Sec. @. (a) G.S. 122C-261(f) reads as rewritten:

"(f) When a petition is filed for an individual who is a resident of a single portal area, the procedures for examination by a physician or eligible psychologist as set forth in G.S. 122C-263 shall be carried out in accordance with the area plan. Prior to issuance of a custody order for a respondent who resides in an area authority with a single portal plan, the clerk or magistrate shall communicate with the area authority to determine the appropriate 24-hour facility to which the respondent should be admitted according to the area plan or to determine if there are more appropriate resources available through the area authority to assist the petitioner or the respondent. When an individual from a single portal area is presented for commitment at a 24-hour or State facility directly, the individual may not be accepted for admission until the facility notifies the area authority and the area authority agrees to the admission. If the area authority does not agree to the admission, it shall determine the appropriate 24-hour facility to which the individual should be admitted according to the area plan or determine if there are more appropriate resources available through the area authority to assist the individual. If the area authority agrees to the admission, further planning of treatment for the client is the joint responsibility of the area authority and the facility as prescribed in the area plan.

Notwithstanding the provisions of this section, in no event shall an individual <u>who is 18 years of age or older and</u> known or reasonably believed to be mentally retarded be admitted to a State psychiatric hospital, except as follows:

(1) Persons described in G.S. 122C-266(b);

(2) Persons admitted pursuant to G.S. 15A-1321;

(3) Respondents who are so extremely dangerous as to pose a serious threat to the community and to other patients committed to non-State hospital psychiatric inpatient units, as determined by the Director of the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services or his designee; and

(4) Respondents who are so gravely disabled by both multiple disorders and medical fragility or

15

multiple disorders and deafness that alternative care is inappropriate, as determined by the Director of the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services or his designee.

Individuals transported to a State facility for the mentally ill who are not admitted by the facility may be transported by law enforcement officers or designated staff of the State facility in State-owned vehicles to an appropriate 24-hour facility that provides psychiatric inpatient care.

No later than 24 hours after the transfer, the responsible professional at the original facility shall notify the petitioner, the clerk of court, and, if consent is granted by the respondent, the next of kin, that the transfer has been completed."

(b) G.S. 122C-262(d) reads as rewritten:

"(d) Anyone, including a law enforcement officer if necessary, may transport the individual to a 24-hour facility described in G.S. 122C-252 for examination and treatment pending a district court hearing. If there is no area 24-hour facility and if the respondent is indigent and unable to pay for care at a private 24-hour facility, the law enforcement officer or other designated person providing transportation shall take the respondent to a State facility for the mentally ill designated by the Commission in accordance with G.S. 143B-147(a)(1)a and immediately notify the clerk of superior court of this action. The physician's or eligible psychologist's certificate shall serve as the custody order and the law enforcement officer or other designated person shall provide transportation in accordance with the provisions of G.S. 122C-251.

In the event an individual <u>who is 18 years of age or older and</u> known or reasonably believed to be mentally retarded is transported to a State facility for the mentally ill, in no event shall that individual be admitted to that facility except as follows:

(1) Persons described in G.S. 122C-266(b);
(2) Persons admitted pursuant to G.S. 15A-1321;
(3) Respondents who are so extremely dangerous as to pose a serious threat to the community and to other patients committed to non-State hospital psychiatric inpatient units, as determined by the Director of the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services or his designee; and

16

(4) Respondents who are so gravely disabled by both multiple disorders and medical fragility or multiple disorders and deafness that alternative care is inappropriate, as determined by the Director of the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services or his designee.

Individuals transported to a State facility for the mentally ill who are not admitted by the facility may be transported by law enforcement officers or designated staff of the State facility in State-owned vehicles to an appropriate 24-hour facility that provides psychiatric inpatient care.

No later than 24 hours after the transfer, the responsible professional at the original facility shall notify the petitioner, the clerk of court, and, if consent is granted by the respondent, the next of kin, that the transfer has been completed."

(c) G.S. 122C-263(d) reads as rewritten:

"(d) After the conclusion of the examination the physician or eligible psychologist shall make the following determinations:

(1) If the physician or eligible psychologist finds that:

a. The respondent is mentally ill;

b. The respondent is capable of surviving safely in the community with available supervision from family, friends, or others;

c. Based on the respondent's psychiatric history, the respondent is in need of treatment in order to prevent further disability or deterioration that would predictably result in dangerousness as defined by G.S. 122C-3(11); and

d. The respondent's current mental status or the nature of the respondent's illness limits or negates the respondent's ability to make an informed decision to seek voluntarily or comply with recommended treatment.

The physician or eligible psychologist shall so show on the examination report and shall recommend outpatient commitment. In addition the examining physician or eligible psychologist shall show the name, address, and telephone number of the proposed outpatient treatment physician or center. The person designated in the order to provide

transportation shall return the respondent to the respondent's regular residence or, with the respondent's consent, to the home of a consenting individual located in the originating county, and the respondent shall be released from custody.

(2) If the physician or eligible psychologist finds that the respondent is mentally ill and is dangerous to self, as defined in G.S. 122C-3(11)a., or others, as defined in G.S. 122C-3(11)b., the physician or eligible psychologist shall recommend inpatient commitment, and shall so show on the examination report. If, in addition to mental illness and dangerousness, the physician or eligible psychologist also finds that the respondent is known or reasonably believed to be mentally retarded, this finding shall be shown on the report. The law enforcement officer or other designated person shall take the respondent to a 24-hour facility described in G.S. 122C-252 pending a district court hearing. If there is no area 24-hour facility and if the respondent is indigent and unable to pay for care at a private 24-hour facility, the law enforcement officer or other designated person shall take the respondent to a State facility for the mentally ill designated by the Commission in accordance with G.S. 143B-147(a)(1)a. for custody, observation, and treatment and immediately notify the clerk of superior court of this action.

In the event an individual who is 18 years of age or older and known or reasonably believed to be mentally retarded is transported to a State facility for the mentally ill, in no event shall that individual be admitted to that facility except as follows:

a. Persons described in G.S. 122C-266(b);
b. Persons admitted pursuant to G.S. 15A-1321;
c. Respondents who are so extremely dangerous as to pose a serious threat to the community and to other patients committed to non-State hospital psychiatric inpatient units, as determined by the Director of the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services or his designee; and

d. Respondents who are so gravely disabled by both multiple disorders and medical fragility or multiple disorders and deafness that alternative care is inappropriate, as determined by the Director of the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services or his designee.

Individuals transported to a State facility for the mentally ill who are not admitted by the facility may be transported by law enforcement officers or designated staff of the State facility in State-owned vehicles to an appropriate 24-hour facility that provides psychiatric inpatient care.

No later than 24 hours after the transfer, the responsible professional at the original facility shall notify the petitioner, the clerk of court, and, if consent is granted by the respondent, the next of kin, that the transfer has been completed.

(3) If the physician or eligible psychologist finds that neither condition described in subdivisions (1) or (2) of this subsection exists, the proceedings shall be terminated. The person designated in the order to provide transportation shall return the respondent to the respondent's regular residence or, with the respondent's consent, to the home of a consenting individual located in the originating county and the respondent shall be released from custody."

Gardner - Moved Accept

Passed

19

CODE NO. 97DHR-H004

Requested by: Representatives Gardner, Cansler, and Clary

LIMITATION ON USE OF SPECIAL ALZHEIMER'S UNIT IN WILSON

Sec. @. (a) The Special Alzheimer's Unit established in Wilson by funds appropriated in Chapter 507 of the 1995 Session Laws shall serve only those clients who cannot be served by an similar private facility.

(b) The Department of Human Resources shall solicit bids from private providers for the operation of the Special Alzheimer's Unit in Wilson. The Department shall report to the 1997 General Assembly not less than 90 days prior to the opening of the Unit for operation. If the General Assembly is not in session at the time of the report, the Department shall submit the report to the Joint Legislative Commission on Governmental Operations. The report shall provide the cost of operation of the Unit by the State as compared to the cost of operation by private providers who have submitted bids.

Redraft

CODE NO. 97DHR-H056

Requested by: Representatives Gardner, Cansler, Clary

LIMITATIONS ON STATE ABORTION FUND

Sec. @. The limitations on funding of the performance of abortion established in Section 23.27 of Chapter 324 of the 1995 Session Laws, Regular Session 1996, as amended by Section 23.8A of Chapter 507 of the 1995 Session Laws, Regular Session 1996, apply to the 1997-98 and 1998-99 fiscal years.

Gardner moved
adopted

21

APPROPRIATIONS SUBCOMMITTEE ON HUMAN RESOURCES

MAY 20, 1997
MINUTES

Representative Charlotte Gardner called the meeting of the Appropriations Subcommittee on Human Resources to order on Tuesday, May 20, 1997 at 8:30 a.m. The following members were present:

Representative Debbie Clary	Representative Lanier Cansler
Representative Charlotte Gardner	Representative Henry Aldridge
Representative Edd Nye	Representative Cindy Watson
Representative Bill Hurley	Representative Alma Adams

Representative Martha Alexander, excused

Cary Haswell of Wake County and Chris Hutton of Onslow County were introduced as pages for the meeting.

Karen Hammonds-Blanks, Fiscal Staff member, presented the Mental Health Services Block Grant (See Attachment #1) The breakout of the money spent was incorporated in the presentation as requested by the members. Edd Nye moved adoption of the Mental Health Services Block Grant, and it passed after some discussion about the split of expenditures on adult and children mental health services and how the process of identifying and intervening with children having emotional and mental health problems works.

A decision on the Community Services Block Grant (See Attachment #1) presented by Karen Hammonds-Blanks was deferred until the members could get more information about the programs on which these agencies spend their allocations.

Fiscal Staff member, Carol Shaw, presented the Special Provisions (See Attachment #2):

1. **SET STANDARDS FOR HEALTH CARE QUALITY/ACCESS** - Cansler moved not to accept this provision, and it passed.
2. **COMMISSION ON AGING STUDY OF ADULT CARE HOME MONITORING** - (Typo corrected) Clary moved adoption, and it passed.
3. **ADULT CARE HOME BED VACANCIES** - Cansler moved adoption with date amended to May 18, and it passed.
4. **ADULT DAY HEALTH CARE MEDICAID WAIVER** - Gardner moved adoption, and it passed.
5. **AUTHORIZED ADDITIONAL USE OF HIV FOSTER CARE AND ADOPTIVE FAMILY FUNDS** - Gardner moved adoption, and it passed.
6. **LIMITATION ON USE OF SPECIAL ALZHEIMER'S UNIT IN WILSON** - Gardner move adoption (line 3, change an to a), and it passed.

7. **THOMAS S. FUNDS/COST CONTAINMENT** - Nye moved adoption, and it passed.
8. **LEGISLATIVE OVERSIGHT COMMITTEE ON DHR REORGANIZATION** - Gardner moved adoption, and it passed.
9. **REORGANIZATION OF THE DEPARTMENT OF HUMAN RESOURCES** - Cansler moved adoption, and it passed.

Representative Clary announced that Ms. Toth who authored The Mole People, a book about the foster care system, will speak at noon in the Legislative Auditorium. The afternoon meeting of the committee is cancelled. Representative Gardner said the committee would be notified about the Wednesday morning meeting. The meeting was adjourned at 9:50 a.m.

Barbara R. Hocutt, Clerk

Charlotte A. Gardner

Representative Charlotte A. Gardner, Co-Chairman

CAG:brh
enclosure

5/20/97
Attachment #1

Department of Human Resources Proposed FY97/98 Block Grant Allocations

Mental Health Services Block Grant

Community Services Block Grant

May 20, 1997

Department of Human Resources
Division of Mental Health, Developmental Disabilities
and Substance Abuse Services
Mental Health Services Block Grant
(MHBG) SFY 1998

FUNDING LEVEL

Federal funding available to North Carolina is $6,238,341 for FFY 97 and an estimated amount of $6,238,341 for FFY 98. The proposed MHGB plan utilizes the remaining FFY 97 amount of $2,549,000 plus $3,689,341 from the anticipated FFY 98 award.

Congress, as part of the block grant authorization legislation in FY 93, separated the Alcohol, Drug Abuse and Mental Health Block Grant into distinct mental health and substance abuse block grants.

GENERAL DESCRIPTION

The MHBG provides federal financial assistance to states for the provision of community-based services for the mentally ill. Services provided through the use of the block grant must be those described in the State's Plan in accordance with Federal P.L. 102-321. These services include outpatient, day treatment, psychosocial rehabilitation, emergency services, residential services, etc.

SIGNIFICANT FEDERAL REQUIREMENTS

The authorization and separation of the block grant was accompanied by changes in federal requirements. The primary Federal requirement related to the MHBG is:

Funds must be used for services specified in the States' Plan in accordance with P.L. 102-321.

Nye moved
adoption - passed

PROPOSED EXPENDITURE PLAN:		ALLOCATION
I.	**Adult Mental Health Plan**	
	Allocate funds to local programs to provide community-based services for individuals with severe and persistent mental illness in accordance with the N.C. Community Mental Health Services Plan and Block Grant Application. Community-based programs provide an array of services, including crisis stabilization designed to divert individuals from institutional admission; liaison and case management services which facilitate the discharge of individuals from the state's psychiatric hospitals; special programs for the hearing impaired; and training activities.	$3,794,179
II.	**Child Mental Health Plan**	
	Continuation of Child Mental Health services in accordance with the North Carolina Community Mental Health Services Plan and Block Grant Application such as programs for adolescent sex offenders, respite services, family preservation programs, group homes, specialized foster care, therapeutic homes, professional parenting programs, and training.	$1,819,931
III.	**Administration**	
	Applicable to 5% of Administrative Cap (Monitoring, Data Collection, Budgeting, Payments and Accounting)	$305,552
	Not Applicable to 5% Administrative Cap (Contracts for Non-administrative Activities and Technical Assistance to Service Providers)	$318,679
	TOTAL REQUIREMENTS	$6,238,341
	Source of Funds	
	MHBG FFY 97	$2,549,000
	MHBG FFY 98	$3,689,341
	TOTAL FUNDS	$6,238,341

ITEM NUMBER	TITLE	ACTUAL FY 95-96	APPROPRIATED SFY 96-97	AUTHORIZED 96-97 2/28/97	RECOMMENDED 97-98
1	Adult Mental Health	$3,754,147	$3,794,179	$3,811,752	$3,794,179
2	Child Mental Health	1,779,692	1,802,819	1,821,720	1,819,931
3	Administration	579,399	572,897	722,881	624,231
	TOTAL	$6,113,238	$6,169,895	$6,356,353	$6,238,341

The Difference between the Appropriated and Authorized amounts are due to carryover revisions 11-439 ($132,507) and revision 11-480 ($53,951) for a total of $186,458.

ITEM NUMBER	TITLE	CERTIFIED BUDGET SFY 96-97	RECOMMENDED AMOUNT SFY 97-98	DIFFERENCE	EXPLANATION OF DIFFERENCE
1	Adult Mental Health	$3,794,179	$3,794,179	0	
2	Child Mental Health	1,802,819	1,819,931	17,112	Additional funds will be used to provide training for local service delivery staff on a variety of topics, such wrap around services, treating youthful sex offenders, etc.
3	Administration	572,897	624,231	51,334	Additional funds will be used to contract for the development of training curricula around the various aspects of serving persons with mental illness.
	TOTAL	$6,169,895	$6,238,341	68,446	

	Outline of proposed MH Block Grant Expenditures FY 97-98				
I. Administration subject to 5% Federal cap					
	List				
	Personnel	Admin FTE	% MHBG funded	Annual Salary	$ Total from MHBG
	MH Admin I	1.00	50%	$60,000	$30,000
	Office Asst IV	1.00	100%	$23,508	$23,508
	MH Program Manager II	1.00	100%	$46,094	$46,094
	MH Program Manager I	1.00	69%	$36,350	$25,082
	Processing Asst IV	1.00	100%	$25,082	$25,082
	MH Program Manager II	1.00	100%	$50,754	$50,754
	Processing Asst IV	1.00	51%	$21,425	$10,927
					$211,447
	Fringe				
531462	Longevity				$2,637
531512	Social Security				$16,377
531522	Retirement				$23,185
531562	Hospitalization				$9,895
	Fringe Subtotal				$52,094
	Personnel subtotal				**$263,541**
	Nonpersonnel costs				
532332	Repairs (Computer)				$1,130
532333	Repairs Other				$1,000
532731	Bd/nonemployee Transportation				$3,500
532732	Bd/nonemployee Subsistence				$1,500
532840	Postage				$2,600
532850	Print,Bind,duplicate				$8,500
533110	Office supplies				$3,500
533900	Other Material & Supplies				$500
533120	Data Process supplies				$600
534522	Equipmt (computers)				$10,403
537710	Computer software				$1,000
532850	Print, bind, duplicate				$1,000
535900	Other expenses				
	Nonpersonnel subtotal				$42,011
SUBTOTAL SUBJECT TO FEDERAL 5% ADMINISTRATIVE COST CAP					**$305,552**

II. Functions/Contracts to which 5% Federal Admin Cost Cap Does Not Apply					
	Personnel	Program FTE	% MHBG funded	Annual Salary	$Total form MHBG
	Community Dev.Specialist	1.00	100%	$50,098	$50,098
	MH Admin I	0.50	100%	$60,000	$30,000
	Salary subtotal				$80,098
	Fringe				
531462	Longevity				$1,426
531512	Social Security				$6,236
531522	Retirement				$8,829
531562	Hospitalization				$2,604
	Fringe Subtotal				$19,095
	Personnel subtotal				**$99,193**
	Nonpersonnel costs				
532199	Proposed Contracts				
	Housing technical assistance				$14,927
	Training/TA for Area Program staff				$69,048
	Education/Involvement for families				$15,000
	Education/Peer suuport for MH Consumers				$69,181
	Future planning & guradianship				$7,500
	Housing conference				$2,700
	Assertive Comm Treatment conference				$5,200
	Case management conference				$3,500
	Public understanding of mental illness				$2,000
	\Sexually Agressive Youth Training Conferences				$23,800
	Contracts subtotal				**$212,856**
532712	Transp air out of state				$2,000
532713	Transp grnd In state				$1,500
532715	Transp grnd out of state in US				$300
532722	Lodging out of state in US				$532
532724	Meals in state				$800
532521	Meals out of State in US				$500
532728	Misc out of state in US				$700
535830	Membership Dues/Subscriptions				$298
	Subtotal				$6,630
	Nonpersonnel subtotal				$219,486
SUBTOTAL NOT SUBJECT TO FEDERAL 5% ADMINISTRATIVE CAP					**$318,679**
TOTAL TO BE BUDGETED FOR MHBG ADMINISTRATION AND OTHER					**$624,231**
STATELEVEL FUNCTIONS					

MH Block Grant Funds Planned To Support Contracts in 1997-98 . (These funds will be budgeted as Administration, but not subject to Federal 5 % cap on administrative costs because all activities/functions in this category are performed to accomplish activities that are required by Federal Law 102-321 regarding the MH Block Grant Plan that must be approved by the Center for Mental Health Services.) The proposed contracts for FY 97-98 included in this budget category are listed below. Each contributes directly to accomplishing the goals and the criteria required by Federal Law 102-321.

- Contract to continue funding for a nonprofit housing intermediary corporation that will promote the expansion of housing opportunities for people with serious mental illness and other disability groups served by the Division. Technical assistance is provided to area programs regarding the production of safe, affordable housing with appropriate services and supports. (The FY 96-97 contract was with the Low Income Housing Development Corporation. Proposed FY 97-98 contract MHBG cost is $14,927)
- Contract with the public university system to provide training, technical assistance, and consultation to area program staff who serve adults with serious mental illness. Examples of the training that will be made available to enhance the skills of service providers is a 10 day training curriculum, Working with Consumers with Severe and Persistent Mental Illness. This will be offered in at least 2 sites. (The FY 96-97 contract was with the UNC-Chapel Hill, School of Social Work, Behavioral Health Care Resource Program. Proposed FY 97-98 contract MHBG cost is $69,048.)
- Contract with a family organization to promote increased meaningful involvement of families of people with mental illness. Proposed activities include: family education groups, family support groups, and information about mental illness. (The FY 96-97 contract was with the NC Alliance for the Mentally Ill. Proposed FY 97-98 contract MHBG cost is $15,000.)
- Contract with a mental health consumer organization to provide information and assistance to adults with serious mental illness. Proposed activities include consumer run self help/support groups; tool free access to information; and disseminating information through a newsletter. (The FY 96-97 contract was with the NC Mental Health Consumers' Organization, Inc. Proposed FY 97-98 contract MHBG cost is $69,181.)
- Contract to assist families of people with mental illness make financial management and guardianship plans. (The FY 96-97 contract was with Life Plan trust, Inc. Proposed FY 97-98 contract MHBG cost is $7,500.)
- Contract for a statewide conference to assist area program staff develop safe, affordable housing for people with Disabilities. Proposed FY 97-98 contract MHBG cost $2,700.)
- Contract for a conference about the Assertive Community Treatment Team service model. (Proposed FY 97-98 contract MHBG cost is $5,200.)
- Contract for a statewide case management conference. (Proposed FY 97-98 contract MHBG cost is $3,500.)
- Contract to promote public understanding of mental health and to decrease stigma associated with mental illness. (Proposed FY 97-98 contract MHBG cost is $2,000.)

MH Block Grant Funds Planned To Support Contracts in 1997-98 for Child Mental Health. (These funds will be budgeted as Administration, but not subject to Federal 5 % cap on administrative costs because all activities/functions in this category are performed to accomplish activities that are required by Federal Law 102-321 regarding the Mental Health Block Grant Plan that must be approved by the Center for Mental Health Services.) The proposed contracts for FY 97-98 included in this budget category are listed below. Each contributes directly to accomplishing the goals and the criteria required by Federal Law 102-321.

- Contract with a State Area Health Education Center to provide support for the conduct of educational programs on Sexually Aggressive Youth. The target audiences for these one day programs include: physicians, nurses, mental health providers, youth services personnel, probation officers, and officers of the courts.

DEPARTMENT OF HUMAN RESOURCES
OFFICE OF ECONOMIC OPPORTUNITY

COMMUNITY SERVICES BLOCK GRANT (CSBG)

For the State fiscal year 1997-98 the funding level is estimated to be $12,828,926.

GENERAL DESCRIPTION

The Community Services Block Grant Program makes federal funds available to states to provide a range of services designed to assist low-income persons attain the skills, knowledge, and motivation necessary to achieve self-sufficiency.

The primary providers of services under this grant, as required by federal law, are the thirty-six Community Action Agencies (CAAs) in the state. Other grantees are seven Limited Purpose Agencies (LPAs) who were recipients of similar funds prior to the inception of the Community Services Block Grant Program. CAAs operate programs under the Community Services Block Grant in coordination with other federal, state, and local programs such as Head Start, Emergency Homeless, Weatherization, and Section 8 Rental Assistance.

Community Services Block Grant funds are used to provide a wide variety of services in local communities to serve identified needs of poor families. Programs allowed under the Community Services Block Grant Act are those which provide activities designed to assist low-income participants including the elderly poor:

- to secure and retain meaningful employment;
- to attain an adequate education;
- to make better use of available income;
- to obtain and maintain adequate housing and a suitable living environment;
- to obtain emergency assistance through loans or grants to meet immediate and urgent individual and family needs, including the need for health services, nutritious food, housing, and employment-related assistance;
- to remove obstacles and solve problems which block the achievement of self sufficiency;
- to achieve greater participation in the affairs of the community; and
- to make more effective use of other programs related to promoting the well being of the low-income population.

The specific services operated in each local community are determined by the local agency as a result of an assessment of the needs of low-income individuals and families in their service area which is used to develop a multi-year plan for services.

As required by the Community Services Block Grant Act, ninety per cent of the funds received are distributed to the thirty-six Community Action Agencies (CAAs) located throughout the state. Five percent, which is the maximum allowed by federal law, is used by the Department to administer the Program. The remainder is used to fund seven non-profit organizations known as Limited Purpose Agencies (LPAs).

Approximately twenty thousand low-income individuals are served annually under the program.

RECOMMENDATIONS	ALLOCATION
1. Allocate $641,446 to the Department of Human Resources to administer the grant. Staff renders technical assistance and monitors the Community Action Agencies and Limited Purpose Agencies for compliance with federal laws and regulations.	$641,446
2. Allocate $11,546,034 to the 36 Community Action Agencies (CAAs) which serve 86 counties for the purpose of providing administrative costs and to assist low-income families with housing, emergency assistance, education, energy, nutrition, income management, information and referral, and outreach. Federal rules require that 90% of the grant be allocated to CAAs.	$11,546,034
3. Allocate the remaining 5% of the grant in the amount of $641,446 to Limited Purpose Agencies which are agencies that address a specific need or population. The allocation and agency is as follows: - Telamon which provides assistance to seasonal and migrant farm workers ($80,181) - Low Income Housing Development Corporation (LIHDC) which assists non-profit agencies in packaging loans for housing construction and rehabilitation ($98,141) - N.C. Rural Fund for Development (NCRFD) which provides technical assistance to credit unions and cooperatives which serve low-income individuals and families ($233,486) - N.C. Senior Citizens Federation which sponsors statewide activities for low-income senior citizens ($116,743)	$641,446

- Western Economic Development Organization (WEDO) which assists organizations serving low-income and handicapped individuals secure manufacturing contracts ($61,579)
- United Senior Services which provides activity programs for senior citizens in Craven County ($24,375)
- N.C. Commission of Indian Affairs which provides programs for low-income Native Americans in the state in coordination with local tribal organizations ($26,941)

TOTAL FUNDING SFY 1997-98	$12,828,926
SOURCE OF FUNDS:	
BLOCK GRANT FUND FFY 1997	$3,207,232
BLOCK GRANT FUND FFY 1998	$9,621,694

DIVISION OF ECONOMIC OPPORTUNITY
Analysis of Community Services Block Grant
SFY 1997-1998

Item Number	Title	Actual SFY 95-96	Appropriated SFY 96-97 (HB 53)	Recommended Amount SFY 97-98	Appropriated/ Recommended Difference	Explanation of Difference
1	Admin	$426,339	$511,044	$641,446	$130,402	Administration is limited to 5% of the grant award and varies based on the award amount.
2	CAAs	$9,198,794	$9,198,794	$11,546,034	$2,347,240	Funds awarded to CAAs must be 90% of the total allocation and is based on award amount.
3	LPAs	$511,044	$511,044	$641,446	$130,402	Funds awarded to LPAs is 5% of the grant. award and varies based on the award amount.
TOTAL		$10,136,177	$10,220,882	$12,828,926	$2,608,044	Difference represents the increase in the federal grant award for this period.

Attachment I

Office of Economic Opportunity
Limited Purpose Agencies
Funding from Community Services Block Grant

Agency	1997/98 Allocation	Allocation Rec'd Since	Service Locale
Telamon (formerly Migrant Farm Workers Association)	$80,181	October 1981.	Statewide
Low Income Housing Development Corp.	$98,141	October 1981.	Statewide
N.C. Rural Fund For Development.	$233,486	October 1981.	Statewide
N.C. Senior Citizens Federation	$116,743	October 1981.	Statewide
Western Economic Development Organization	$61,679	October 1981.	Western North Carolina Counties
United Senior Services	$24,375	October 1981.	Craven, Pamlico, Jones
N.C. Commission of Indian Affairs	$26,941	October 1981.	Statewide
Totals	$641,446		

Note: Limited Purpose Agencies are defined as an agency which was funded by the Community Svcs. Administration in FFY 81 for the purpose of operating projects for a specific target population or specific program area. The LPA's meet this criteria as they have since the inception of the CSBG. The funding under CSBG has continued on the same pro-rata share provided to each agency under the old Community Services Admin. funding structure. This is 5% of the annual CSBG grant award as provided in the provisions of the N.C. Admin. Code for the CSBG program.

Attachment II

Office of Economic Opprotunity
Community Action Agencies
Funding from Community Services Block Grant

Agency	County(ies) Served	1997/98 Allocation	Allocation Rec'd Since
Alamance County Community Services Agency	Alamance	$135,670	Oct-81
Blue Ridge Community Action	Burke Caldwell	$216,410	Oct-81
Blue Ridge Opportunity Comm.	Allegany Ashe Wilkes	$199,335	Oct-81
Carteret Community Action	Carteret Pamlico Craven Jones	$299,111	Oct-81
Catawba County	Catawba	$120,000	Jul-89
Charlotte Area Fund	Mecklenburg	$896,225	Oct-81
Choanoke Area Development Association	Hertford Bertie Halifax Northhampton	$423,519	Oct-81
Cumberland Community Action Program	Cumberland	$530,343	Oct-81
Davidson Community Action	Davidson	$178,597	Oct-81
DOP Consolidated Human Services Agency	Onslow Duplin	$312,146	Oct-81
Economic Improvement Council	Camden Chowan Currituck Dare Gates Hyde Pasquotank Perquimons Tyrell Washington	$306,522	Oct-81
Experiment In Self Reliance	Forsyth	$472,169	Oct-81

Attachment II

Office of Economic Opprotunity
Community Action Agencies
Funding from Community Services Block Grant

Agency	County(ies) Served	1997/98 Allocation	Allocation Rec'd Since
Four County Community Services	Bladen	$957,189	Oct-81
	Columbus		
	Pender		
	Hoke		
	Robeson		
	Brunswick		
	Scotland		
Four Square Community Action	Cherokee	$147,644	Oct-81
	Clay		
	Graham		
	Swain		
Franklin-Vance-Warren Opport.	Franklin	$321,403	Oct-81
	Vance		
	Warren		
	Granville		
Gaston Community Action	Gaston	$548,159	Oct-81
	Cleveland		
	Lincoln		
	Stanley		
Greene Lamp, Inc.	Greene	$202,125	Oct-81
	Lenior		
Guilford County Community Act.	Guilford	$491,979	Jul-66
I Care, Inc.	Iredell	$125,658	Oct-81
Johnson-Lee Community Action	Johnson	$262,580	Oct-81
	Lee		
Joint Orange-Chatham Community Action	Orange	$224,431	Oct-81
	Chatham		
Macon Program for Progress	Macon	$120,000	Oct-81
Martin County Community Action	Martin	$527,364	Oct-81
	Beaufort		
	Pitt		
Mountain Projects, Inc.	Haywood	$142,762	Oct-81
	Jackson		

Attachment II

Office of Economic Opportunity
Community Action Agencies
Funding from Community Services Block Grant

Agency	County(ies) Served	1997/98 Allocation	Allocation Rec'd Since
Nash-Edgecombe Economic Development	Nash Edgecombe Wilson	$502,325	Oct-81
New Hanover County Community Action	New Hanover	$237,873	Jul-86
Operation Breakthough, Inc.	Durham	$410,832	Oct-81
Opportunity Corp. of Madison-Buncombe Counties	Madison Buncombe	$334,160	Oct-81
Salisbury-Rowan Community Services Council	Rowan Carbarrus	$261,284	Oct-81 ✓
Sandhills Community Action Program	Anson Montgomery Moore Richmond	$304,982	Oct-81
Union County Community Action	Union	$120,000	Oct-81
Wake County Opportunities	Wake	$497,704	Oct-81
W.A.M.Y. Community Action	Watagua Avery Mitchell Yancey	$318,828	Oct-81
Wayne Action Group for Economic Solvency, Inc.	Wayne	$215,305	Oct-81
Western Carolina Community Action	Henderson Transylvania	$152,193	Oct-81
Yadkin Valley Economic Development District	Davie Stokes Surry Yadkin	$239,210	Oct-81
Totals		$11,546,035	

Attachment II

Office of Economic Opprotunity
Community Action Agencies
Funding from Community Services Block Grant

Agency	County(ies) Served	1997/98 Allocation	Allocation Rec'd Since
Note: Community Action Agencies are defined as an agency officially designated and funded by the Community Svcs. Administration in FFY 1981 for the purpose of operating an anti-proverty project or any agency designated by the Gov. in accordance with provisions of the CSBG Act. Three entities have been designated by the Governor to operate as CAA'S since the state began administrating the CSBG Program. These entities serve 3 previously unserved counties, while 15 previously counties began receiving services as a result of existing CAA's extend-their service area. 10 counties have made e conscious decision not to participate in services through the CSBG Program.			

END

5/20/97
Attachment 2

House Subcommittee on Human Resources Appropriations

Special Provisions

1997-99 Biennium

Drafting & Fiscal Research Divisions *May 20, 1997*

CODE NO. 97DHR-H008

Requested by: Representatives Gardner, Cansler, and Clary

SET STANDARDS FOR HEALTH CARE QUALITY/ACCESS

Section 11.3. The Secretary of the Department of Human Resources shall set standards to ensure that the citizens of the State have access to quality and affordable health care.

Cansler moved not to accept passed

CODE NO. 97DHR-H061

Requested by: Representatives Gardner, Cansler, Clary

COMMISSION ON AGING STUDY OF ADULT CARE HOME MONITORING

Sec. @. The North Carolina Study Commission on Aging shall study the effectiveness and efficiency of State and county monitoring and regulation of adult care homes. The Commission shall report its findings and recommendations to the 1997 General Assembly, Regular Session 1998, upon its convening.

Clary
moved adoption
passed

2

CODE NO. 97DHR-H001

Requested by: Representative Cansler

ADULT CARE HOME BED VACANCIES

Section @. (a) From the effective date of this act until 18 months after the effective date of this act, the Department of Human Resources shall not approve the addition of any adult care home beds for any type home or facility in the State, except as follows:

(1) Plans submitted for approval prior to ~~April~~ May 18, 1997 may continue to be processed for approval; or

(2) If the Department determines that the vacancy rate of adult care home beds in a county is less than ten percent (10%) of the total number of beds in the county as of the effective date of this act and no new beds have been approved or licensed in the county or plans submitted for approval in accordance with subdivision (1) of this section, then the Department may accept and approve the addition of beds in that county.

(b) The Department shall study the issue of high vacancy rates for adult care home beds, including the impact of those vacancy rates on cost effectiveness and quality of care for the occupants of adult care homes and other facilities, and make recommendations with respect to the need for the establishment of a certificate of need type process for adult care homes and any change needed in the certificate of need process for any other facilities to prevent high vacancy rates for adult care home beds. The Department shall report the results of its study, along with the recommendations required by this section and any other proposals and recommendations, to either the Chairs of the House and Senate Appropriations Subcommittee on Human Resources or to a study commission established to study this issue, should one be established, by December 1, 1997.

Cansler moved adoption as amend passed

3

CODE NO. 97DHR-H062

Requested by: Representatives Gardner, Cansler, Clary

ADULT DAY HEALTH CARE MEDICAID WAIVER

Section @. The Division of Medical Assistance, Department of Human Resources, shall request a waiver from the Health Care Financing Administration to provide adult day health care services to Medicaid recipients who are not participating in a community alternative program. The Division shall report to the Chairs of the House and Senate Human Resources Appropriations Subcommittees by May 1, 1998 on its progress in obtaining this waiver. The Division of Medical Assistance shall not implement this waiver, if obtained, until it has reported to the Chairs of the House and Senate Human Resources Appropriations Subcommittees on the impact of the waiver on the provision of long term care services for Medicaid recipients and the fiscal impact of adding this additional service.

Gardner moved
adopted

4

CODE NO. 97DHR-H016

Requested by: Representatives Gardner, Cansler, Clary

AUTHORIZED ADDITIONAL USE OF HIV FOSTER CARE AND ADOPTIVE FAMILY FUNDS

Section @. (a) In addition to providing board payments to foster and adoptive families of HIV-infected children, as prescribed in Chapter 324 of the 1995 Session Laws, any additional funds remaining that were appropriated in Chapter 324 of the 1995 Session Laws for this purpose shall be used as follows:

(1) To provide medical training in avoiding HIV transmission in the home; and

(2) To transfer funds to the Department of Environment, Health, and Natural Resources to create three social work positions within the Department of Environment, Health, and Natural Resources, for the eastern part of North Carolina to enable the case managing of families with HIV-infected children so that the children and the parents get access to medical care and so that child protective services issues are addressed rapidly and effectively. The three positions shall be medically based and located:

a. One in the northeast, covering Northampton, Hertford, Halifax, Gates, Chowan, Perquimans, Pasquotank, Camden, Currituck, Bertie, Wilson, Edgecombe, and Nash Counties;

b. One in the central east, covering Martin, Pitt, Washington, Tyrrell, Dare, Hyde, Beaufort, Jones, Greene, Craven, and Pamlico Counties; and

c. One in the southeast, covering New Hanover, Robeson, Brunswick, Carteret, Onslow, Lenoir, Pender, Duplin, Bladen, and Columbus Counties.

(b) The maximum rates for State participation in HIV foster care and adoptions assistance are established on a graduated scale as follows:

(1) $800.00 per month per child with indeterminate HIV status;

(2) $1,000 per month per child confirmed HIV-infected, asymptomatic;

(3) $1,200 per month per child confirmed HIV-infected, symptomatic; and

(4) $1,600 per month per child terminally ill with complex care needs.

Gardner moved adopted

CODE NO. 97DHR-H004A

Requested by: Representatives Gardner, Cansler, Clary

LIMITATION ON USE OF SPECIAL ALZHEIMER'S UNIT IN WILSON

Sec. @. (a) The Special Alzheimer's Unit established in Wilson by funds appropriated in Chapter 507 of the 1995 Session Laws shall serve only those clients who cannot be served by a similar private facility.

(b) The Department of Human Resources shall solicit bids from private providers for the operation of the Special Alzheimer's Unit in Wilson. The Department shall report to the members of the House and Senate Appropriations Subcommittees on Human Resources, and the Fiscal Research Division, not less than 90 days prior to the opening of the Unit for operation. The report shall provide the cost of operation of the Unit by the State as compared to the cost of operation by private providers who have submitted bids.

Gardner moved adoption passed

7

CODE NO. 97DHR-H058A

Requested by: Representatives Gardner, Cansler, Clary
THOMAS S. FUNDS/COST CONTAINMENT

Section @. (a) If Thomas S. funds are not sufficient, then notwithstanding G.S. 143-16.3 and G.S. 143-23, the Director of the Budget may use funds available to the Department in an amount not to exceed fifteen million two hundred thousand dollars ($15,200,000).

(b) The Department of Human Resources, in conjunction with area mental health programs, shall develop and implement cost containment measures to reduce the cost of direct services. The Department shall develop these strategies to emphasize positive client outcomes through developmental disability long-term managed supports rather than to emphasize process. These measures shall include but not be limited to the following:

(1) Reduction of those process-oriented tasks required by the State, including, but not limited to, tasks required by the Divisions of: Medical Assistance, Vocational Rehabilitation Services, Social Services, Facilities Services, and Mental Health, Developmental Disabilities, and Substance Abuse Services;

(2) Single stream funding from all available sources;

(3) Waivers of federal requirements in order to comply with the federal court order; and

(4) Review and, if necessary, amendment or repeal of rules that conflict or otherwise interfere with cost containment measures.

(c) The Department shall provide to the members of the House and Senate Appropriations Subcommittees on Human Resources and the Fiscal Research Division a detailed report of the status of development and implementation of cost containment measures required under this section. The report shall address each of the measures listed in subsection (b) of this section, and any other related cost containment measures developed by the Department. The Department shall provide the report on December 1, 1997 and May 1, 1998.

Nye moves adoption passed

8

CODE NO. 97DHR-H064A

Requested by: Representatives Gardner, Cansler, Clary

LEGISLATIVE OVERSIGHT COMMITTEE ON DHR REORGANIZATION

Sec. @. (a) The General Assembly intends to reorganize the Department of Human Resources, using the report of KPMG Peat Marwick, L.L.P. to the General Assembly dated March 20, 1997, to provide an alternative and improved approach to the organization and delivery of human services in North Carolina.

(b) There is established the Legislative Oversight Committee on the Reorganization of the Department of Human Resources to oversee the reorganization of the Department.

(c) The Committee shall be composed of 10 members, as follows:

(1) Five members of the House of Representatives at the time of their appointment, two appointed by the Speaker of the House of Representatives, one other a chair of the House Appropriations Subcommittee on Human Resources, one other a member of the House Appropriations Subcommittee on Human Resources, and one other the House of Representatives chair or other member of the Subcommittee on Human Resources of the Joint Legislative Commission on Governmental Operations; and

(2) Five members of the Senate at the time of their appointment, two appointed by the President Pro Tempore of the Senate, one other the chair of the Senate Appropriations Subcommittee on Human Resources, one other a member of the Senate Appropriations Subcommittee on Human Resources, and one other the Senate chair or other member of the Subcommittee on Human Resources of the Joint Legislative Commission on Governmental Operations.

(d) The Speaker of the House of Representatives and the President Pro Tempore of the Senate shall each select a member from their respective chambers to serve as cochair of the Committee.

(e) The Committee, while in the discharge of official duties, may exercise all the powers provided for under the provisions of G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4. The Committee may meet at any time upon the joint call of the cochairs. The Committee may meet in the Legislative Building or the Legislative Office Building.

9

(f) Members of the Committee shall receive subsistence and travel expenses at the rates set forth in G.S. 120-3.1.

(g) The Committee may contract for professional, clerical, or consultant services as provided by G.S. 120-32.02. The Legislative Services Commission, through the Legislative Services Officer, shall assign professional and clerical staff to staff the Committee. The House of Representatives' and the Senate's Supervisors of Clerks shall assign clerical staff to the Committee, upon the direction of the Legislative Services Commission. The expenses relating to professional and clerical employees supplied through the Legislative Services Commission shall be borne by the Legislative Services Commission.

Notwithstanding any Legislative Services Office policy to the contrary, the Committee may meet during any session of the General Assembly, and legislative staff may serve the Committee during session.

(h) Members serve at the pleasure of their appointing officer. When a vacancy occurs in the membership of the Committee, the vacancy shall be filled by the same appointing officer who made the initial appointment.

(i) All State departments and agencies and local governments and their subdivisions shall furnish the Committee with any information in their possession or available to them.

(j) The Committee shall report on the progress of the reorganization and any recommendations, including any legislative proposals, to the General Assembly by December 1, 1998, and then by April 1 and November 1 every year until April 1, 2003, or until the Committee completes its work, at which time the Committee shall terminate.

(k) If a provision in this act or in another act of the 1997 General Assembly authorizes the Standing Appropriations Committees and Standing Appropriations Subcommittees of the House and Senate to meet separately or jointly during the interim between the Regular 1997 and 1998 Sessions of the General Assembly, then this section is repealed on the date the act authorizing the interim meetings becomes law.

Gardner moved
adoption
Passed

10

CODE NO. 97DHR-H063A

Requested by: Representatives Gardner, Cansler, Clary

REORGANIZATION OF THE DEPARTMENT OF HUMAN RESOURCES

Sec. @. (a) The Department of Human Resources shall, using the report of KPMG Peat Marwick, L.L.P. to the General Assembly dated March 20, 1997, develop and begin implementing a plan to reorganize the Department of Human Resources. The reorganization plan shall be designed:

(1) To structure planning, management, and service delivery around a strategic shared mission and long-range vision for the Department;

(2) To better achieve a consolidated family-center services orientation that facilitates identification of gaps in services, improvement of efficient and effective access to services, and reduces fragmentation of leadership, management, and service delivery;

(3) To facilitate a system of incentives within the Department and within local agencies that will reinforce personnel efforts at integrated services delivery; and

(4) To enable assessment of program performance in terms of actual client outcomes, effective and efficient service delivery, and the impact services and departmental functions are having in the lives of clients, rather than in terms of process measures.

(b) With funds from within the Department, and in consultation with the Legislative Oversight Committee on the Reorganization of the Department of Human Resources, the Department of Human Resources shall engage an entity with proven expertise to provide the Department leadership and management with the knowledge and tools needed to ensure a change in departmental culture that creates an environment:

(1) Where there is an understanding and appreciation for a departmental mission and primary goals that portray a coordinated system of services, rather than a group of independently operating group of services;

(2) Where, although the Department delivers few direct services, a client needing multiple services can have them delivered in a coordinated manner through

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local governing entities and by local service providers;

(3) Where counties have the opportunity, where practicable, to develop approaches to service delivery that work best for them;

(4) Where the Department can restructure around functions rather than programs; and

(5) Where the Department can develop an internal management capacity for strategic planning, program planning and evaluation, and formal senior management reviews, on a regular basis, of client needs, program performance, and issues related to resource allocation and risk assessment.

(c) The Department of Human Resources shall begin establishment of the following service delivery functions: services, regulation, institutional management, education, and health care financing.

(d) The Department of Human Resources shall give very strong consideration to establishing the following coordination and infrastructure functions: information services and performance services.

Senator ~~Dorsey~~ moved adoption

Passed

12

VISITOR REGISTRATION SHEET

Human Resources Appropriations May 29, 1997

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY
1. DAN GERLACH JR	
2. Belinda Wilson	ALCS
3. Richard Rideout	DHR/DYS
4. Stephanie Daniel	DHR/DCD
5. Steve Shaba	Jordan Price Wall Gray Jones
6. Myrna Mills	NASW-NC
7. Brenda Simmons	NC Equity
8. Odell Taylor	NECTA
9. Wayne Williams	OSBM
10. Byron K Harris	OSBM
11. Laurence Wilson	DHR/OEO
22. Bobby Woodard	OSBM
23. NELS ROSELAND	OSBM
24. Joyce Johnson	DHR Controller's Office
25. Shannex Kansone	DSS
26. Roger Manns	CLA
27. Whitney Myers	DMHDDSAS
28. Evelyn Hawthorne	NCHA
29. Lou Wilson	NBELTC 7
30. Sue Devlin	DENR-HEALTH
31. Elaine Armstrong	RCC

VISITOR REGISTRATION SHEET

Committee: Human Resources Appropriations Date: May 29 1997

VISITORS: Please sign below and return to Committee Clerk.

NAME	FIRM OR STATE AGENCY AND ADDRESS
Anne Fishburne	NC CASA - Raleigh
Darrin Jackson	DSS
Jo Perkins	DVRS
Paula Wilkenski	NC Mental Health Consumers' Org
Megan Snyder	Easter Seals
[illegible]	NCARF
Jim Upchurch	DHR/DFS
Lynda McDaniel	DHR/DFS
Bob Fitzgerald	DHR/DFS
[illegible]	DMH - Thomas S
AL DEITZ	DOA/YAIO
Charles Cromer	NCATL
Daphne Lyon	DHR/DMA
[illegible]	DHR
John Bowdish	Zeb Alley P.A.
Ed Brackett	Asheville Citizen-Times
[illegible]	Rule Call & Strategy
[illegible]	Bove & Assoc.
[illegible]	Food Banks
Paula Wolf	Covenant w/NC's Children
John Tate	NHA/NC COPA
Susan Schmidt	NCJCDC
Roslyn Savitt	NC Child Care Coalition
Les Kittredge	DHR
Jim Edgerton	DHR
Mc Broadus	DHR

VISITOR REGISTRATION SHEET

Human Resources Approp. Sub 5/20/97

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

	NAME	FIRM OR AGENCY
1.	Steve Johnson	DMH/DD/SAS
2.	DN Willis	" " "
3.	[illegible]	" " "
4.	Teddy Stelle	" " "
5.	Ronald Beher	" "
6.	Robert Moore	" " "
7.	TODD FELTS	DHR/DCD
8.	MMeager	OSBM
9.	Douglas Blum	United Way of NC
10.		
11.		
22.		
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31.		

APPROPRIATIONS SUBCOMMITTEE ON HUMAN RESOURCES

Minutes
May 27, 1997
3:00 p.m.

Representative Charlotte Gardner, Co-Chairman, presided over the meeting of the Appropriations Subcommittee on Human Resources convened on May 27, 1997 at 3:00 p.m. in room 424 LOB. The following members were present:

Representative Gardner	Representative Adams
Representative Cansler	Representative Aldridge
Representative Nye	Representative Clary
Representative Hurley	

The committee took up some Special Provisions that were not finished in the morning meeting. Carol Shaw presented the skipped provision on **In-Home Special Assistance Demonstration Project** (Page 9, Special Provision, Attachment 2, a.m.) which was approved yesterday but Mr. Edgerton had brought up some questions about the payments. This provision came from a bill introduced by Representative Earle. According to Carol Shaw, the state-county special assistance payment would be the same as if the person were in an institution. There is a cost-saving because this person is receiving services at home. The special provision makes it clear that anyone under this pilot project would not be eligible for the adult care personal care services paid by Medicaid that goes to directly to the rest home because it is no longer necessary. That would save $245 per person. The counties would still pay their matching share of the cost (See attachment 2, page 9, lines 37-39). The intent is that the state-county special assistance money would be used to buy services they could not buy through Medicaid. Since Representative Nye raised questions about the difference in this program and the CAP program, Representative Gardner halted discussion until the problems with the provision could be worked out. The committee will come back to it later.

The provision on Page 12, **Adult Care Home Staffing Requirements**, was pulled from further consideration, and the provision on Page 13, **Adult Care Home Staffing for Enhanced Personal Care Services** (See Attachment #2) was adopted.

Mary Ellen Sylvester, Fiscal Staff presented the **Special Provision on Early Intervention Funding/Referral** (Attachment #2, Page 25).which was accepted by a voice vote.

Karen Hammonds-Blanks of the Fiscal Staff presented the following Special Provisions (See Attachment #2) which were adopted:

1. **Allocation of Mental Health, Developmental Disabilities, and Substance Abuse Expansion Funds** (Page 26).
2. **Butner Community Land Reservation** (Page 27). Representative Crawford proposed this provision.
3. **Whitaker School Replacement Facility** (P. 28). Change from Human Rights to Human Relations on Line 3. Since the provision does not address the possibility of building a new facility, according to Jim Edgerton, new language will be added to ask the department to provide a status report on their search for a replacement facility or the feasibility of new construction.
4. **Legislative Study Commission on Mental Health, Developmental Disabilities, and Substance Abuse Services** (Page 29-30). This is in contention with the Senate.
5. **Extend DHR Administration of Tri-County/Tri-County Realignment Incentive Funds** (Page 31).
6. **Procedure for Prisoners Held in County Jail** (Page 32).
7. **Child Caring Institution Fund** (Page 33). This is not in the Governor's budget nor the Senate's budget.

In Attachment #2, Page 34, **the Adolescent Parenting Program** Provision will be held for consideration at a later time.

Carol Shaw presented the language that Representative Gardner requested for the Special Provision, **Pilot Program to Consolidate Services for Seniors**. The Special Provision See Attachment #3) was accepted.

Karen Hammonds-Blanks explained the Special Provision, **Forensic Treatment Program**, (See Attachment #4) which was accepted.

Peter Leousis answered the questions the members had about the Appalachian Regional Commission (Attachments #5 and #6). Representative Gardner recognized former Representative Doris Huffman who works with the Department of Human Resources.

There being no further business, the meeting was adjourned.

Barbara R. Hocutt, Committee Clerk

Representative Charlotte Gardner, Co-Chairman

CAG:brh

5/27/97
attachment # 2

House Subcommittee on Human Resources Appropriations

Special Provisions

1997-99 Biennium

Bill Drafting & Fiscal Research Divisions

May 27, 1997

CODE NO. 97DHR-H049B

Requested by: Representative Clary
MEDICAL RECORDS COPY FEES/SOCIAL SECURITY DISABILITY CLAIMS

Section @. G.S. 90-411 reads as rewritten:

"**§ 90-411. Record copy fee.**

(a) A health care provider operated by a governmental unit may charge a reasonable fee to cover the costs incurred in searching, handling, copying, and mailing medical records to the patient or the patient's designated representative. The maximum fee shall be fifty cents (50¢) per page, provided that the health care provider may impose a minimum fee of up to ten dollars ($10.00), inclusive of copying costs. If requested by the patient or the patient's designated representative, nothing herein shall limit a reasonable professional fee charged by a physician for the review and preparation of a narrative summary of the patient's medical record. This section shall only apply with respect to liability claims for personal injury, except that charges for medical records and reports related to claims under Article 1 of Chapter 97 of the General Statutes shall be governed by the fees established by the North Carolina Industrial Commission pursuant to G.S. 97-26.1.

(b) A health care provider not operated by a governmental unit may charge a reasonable fee to cover the costs incurred in searching, handling, copying, and mailing medical records to the patient or the patient's designated representative. The maximum fee shall be seventy-five cents (75¢) per page, provided that the health care provider may impose a minimum fee of up to twelve dollars ($12.00), inclusive of copying costs. If requested by the patient or the patient's designated representative, nothing herein shall limit a reasonable professional fee charged by a physician for the review and preparation of a narrative summary of the patient's medical record. This section shall only apply with respect to liability claims for personal injury, and claims for social security disability, except that charges for medical records and reports related to claims under Article 1 of Chapter 97 of the General Statutes shall be governed by the fees established by the North Carolina Industrial Commission pursuant to G.S. 97-26.1."

Gardner/accepted

2

CODE NO. 97DHR-H067A

Requested by: Representatives Gardner, Cansler, Clary

MEDICAID TRUST FUND TRANSFER/SHORTFALL

Section @. Upon certification to the Director of the Budget that all alternative sources of funding are exhausted and receipt of approval by the Director of the Budget, notwithstanding any prohibition which may exist in G.S. 143-23.2, the Department may use up to twenty-five million dollars ($25,000,000) during fiscal year 1997-98 from the fund established pursuant to G.S. 143-23.2 to support Medicaid program expenditures.

Gardner/Accepted

3

CODE NO. 97DHR-H068

Requested by: Representatives Gardner, Cansler, Clary

MEDICAID GROWTH REDUCTION

Section @. (a) The Department of Human Resources shall develop and implement a plan that is designed to reduce the growth of Medicaid to eight percent (8%) by the year 2001. However, the Department shall not eliminate categories of eligibles or categories of services to achieve this reduction unless the General Assembly identifies specific categories of eligibles or categories of services that it wants eliminated.

(b) The Division of Medical Assistance, Department of Human Resources shall consider the following actions in developing the plan to reduce Medicaid growth:

(1) Changes in the methods of reimbursement;

(2) Changes in the method of determining or limiting inflation factors or both;

(3) Recalibration of existing methods of reimbursement;

(4) Develop more specific criteria for determining medical necessity of services;

(5) Contracting for services;

(6) Application of limits on specific numbers of slots or expenditure levels for certain services or both;

(7) Expansion of managed care; and

(8) Recommend changes in statutes to enhance the ability of the Department to manage the program.

(c) The Division of Medical Assistance, Department of Human Resources shall report to the Chairs of the House and Senate Appropriations Subcommittees on Human Resources by September 1, 1997 on the actions the Department intends to take to meet the required reductions for 1997-98. The Division of Medical Assistance shall not implement any of these actions until after the September 1, 1997 report.

(d) The Division of Medical Assistance, Department of Human Resources shall report to the ~~General Assembly~~ appropriations chairs by April 1, 1998 on the final plan to reduce Medicaid growth by eight percent (8%) by the year 2001.

Gardner/accepted

4

CODE NO. 97DHR-H051A

Requested by: Representatives Gardner, Cansler, Clary

IN-HOME AND CAREGIVER SUPPORT FUNDS

Section @. Of the funds appropriated in this act to the Department of Human Resources, Division of Aging, the sum of five million dollars ($5,000,000) for the 1997-98 fiscal year and the sum of five million dollars ($5,000,000) for the 1998-99 fiscal year shall be allocated via the Home and Community Care Block Grant for home and community care services for older persons who are not eligible for Medicaid and who are on the waiting list for these services. These funds shall be used only for direct services. Service recipients shall pay for services based on their income in accordance with G.S. 143B-181.1(a)(10).

Gardner/ accepted

6

CODE NO. 97DHR-H071

Requested by: Representatives Gardner, Cansler, Clary

SURROGATE CONSENT FOR HEALTH CARE/STUDY

Sec. @. (a) The North Carolina Study Commission on Aging, as established under G.S. 120-180, shall study and recommend a procedure for determining which person or persons may make health care decisions for adult individuals in nursing homes and other health care facilities who lack sufficient understanding or capacity to make or communicate health care decisions for themselves and for whom there is no authorized health care agent, guardian of the person, or attorney-in-fact to make the decision. The Commission shall ensure that the procedure recommended operates consistently with existing law, including living wills, health care powers of attorney, and durable powers of attorney. In conducting the study, the Commission may consider the provisions of House Bill 1112, first edition, 1997 General Assembly.

(b) The Commission shall report its findings and recommendations to the 1997 General Assembly, Regular Session 1998, upon its convening.

Gardner/accepted

7

CODE NO. 97DHR-H052A

Requested by: Representatives Gardner, Cansler, Clary

ADULT CARE HOMES REIMBURSEMENT RATE/ADULT CARE HOMES ALLOCATION OF NONFEDERAL COST OF MEDICAID PAYMENTS

Section @. (a) The eligibility of Special Assistance recipients residing in adult care homes on August 1, 1995, shall not be affected by an income reduction in the Special Assistance eligibility criteria resulting from adoption of the Rate Setting Methodology Report and Related Services, providing these recipients are otherwise eligible. The maximum monthly rate for these residents in adult care home facilities shall be nine hundred seventy-five dollars ($975.00) per month for ambulatory residents and one thousand seventeen dollars ($1,017) per month for semiambulatory residents.

(b) Effective August 1, 1995, the State shall pay fifty percent (50%) and the county shall pay fifty percent (50%) of the nonfederal costs of Medicaid services paid to adult care home facilities. As Medicaid personal care requirements increase, the county matching share shall be capped until it equals fifteen percent (15%) of the nonfederal Medicaid personal care requirements.

(c) Effective July 1, 1997, the maximum monthly rate for residents in adult care home facilities shall be eight hundred seventy-four dollars ($874.00) per month per resident.

(d) Effective July 1, 1998, the maximum monthly rate for residents in adult care home facilities shall be eight hundred seventy-four dollars ($874.00) per month per resident.

Gardner/Accepted

8

CODE NO. 97DHR-H065A

Requested by: Representatives Gardner, Cansler, Clary, Earle

IN-HOME SPECIAL ASSISTANCE DEMONSTRATION PROJECT

Sec. @. (a) Notwithstanding any law to the contrary, the Department of Human Resources, Division of Social Services, in consultation with the Department of Human Resources, Division of Aging, shall develop and implement an In-Home Special Assistance Demonstration Project. The purpose of the project is to determine the feasibility of using State and county funds to provide financial assistance to low-income elderly or disabled adults who are otherwise eligible for Special Assistance under G.S. 108A-41(b) but who would rather live at home than in an adult care home and whose daily care needs can be adequately met through in-home services.

(b) The Department shall select five counties to participate in the project. Counties desiring to participate shall apply to the Department for selection. The Department shall provide information to all counties about the scope and duration of the project, the procedure for applying to be a participating county, and what will be required of participating counties. The counties selected to participate in the project shall be representative of the State as a whole. In selecting the participating counties, the Department shall consider each applicant county's:

(1) Total population;
(2) Regional location;
(3) Urban or rural composition;
(4) Percentage of county population eligible for Special Assistance services;
(5) Ability to offer case management services to each client selected for the project;
(6) Ongoing support system for the aging and disabled; and
(7) Ability to effectively and efficiently administer the project.

(c) Individuals who are eligible for Special Assistance under G.S. 108A-41(b) and who reside in a participating county shall be eligible for Project assistance. However, each participating county shall allocate Project funds for not more than 40 eligible individuals. Funds used for Project assistance and administration shall be matched State-County in the same proportion as under the State-County Special Assistance for

9

Adults Program. During the time a recipient receives Project funds, the recipient shall not receive adult care personal care paid by Medicaid.

(d) The Department shall:

(1) Monitor local administration to ensure that adequate case management services are provided to Project recipients and that the health, safety, and well-being of Project recipients are being protected;

(2) Oversee approval of services purchased by Project recipients;

(3) Collect information about the service providers and types of services purchased by Project funds; and

(4) Obtain comprehensive data and information to enable the State to anticipate, plan for, and provide in-home services to its elderly and disabled citizens in the future.

(e) The Department shall use up to six hundred thousand dollars ($600,000) for fiscal year 1997-98 and up to six hundred thousand dollars ($600,000) for fiscal year 1998-99 in existing State funds for State/County Special Assistance to fund the In-Home Special Assistance Demonstration Project.

(f) The North Carolina Study Commission on Aging, with assistance from the Division of Aging, Department of Human Resources, shall contract for professional services to evaluate the In-Home Special Assistance Demonstration Project. The commission shall determine the scope of the evaluation and shall require the contractor to provide written reports to the Commission on July 1, 1998, and January 30, 1999.

The Department shall report to the North Carolina Study Commission on Aging, to the Cochairs of the House of Representatives and Senate Appropriations Subcommittees on Human Resources, and to the Fiscal Research Division on October 1, 1997, March 1, 1998, and October 1, 1998, on the progress of Project development and implementation. The Department's October, 1998 report shall include recommendations on whether the Project should be continued and, if so, the extent to which it should be continued, why it should be continued, and the costs associated with continuing the Project. If the Department recommends that the Project not be continued, it shall provide the reasons for the recommendation.

(g) This section becomes effective July 1, 1997 and expires June 30, 1999. Nothing in this section shall be construed as creating an entitlement to Special Assistance funds

10

or services under the In-Home Special Assistance Demonstration Project created by this section.

Senator I without objection reserve for additional information

11

CODE NO. 97DHR-H070

Requested by: Representatives Gardner, Cansler, Clary

ADULT CARE HOME STAFFING REQUIREMENTS

Sec. @. Effective January 1, 1998, G.S. 131D-4.3(a) reads as rewritten:

"(a) Pursuant to G.S. 143B-153, the Social Services Commission shall adopt rules to ensure at a minimum, but shall not be limited to, the provision of the following by adult care homes:

(1) Client assessment and independent case management;

(2) A minimum of 75 hours of training for personal care aides performing heavy care tasks and a minimum of 40 hours of training for all personal care aides. The training for aides providing heavy care tasks shall be comparable to State-approved Certified Nurse Aide I training. For those aides meeting the 40-hour requirement, at least 20 hours shall be classroom training to include at a minimum:

a. Basic nursing skills;

b. Personal care skills;

c. Cognitive, behavioral, and social care;

d. Basic restorative services; and

e. Residents' rights.

A minimum of 20 hours of training shall be provided for aides in family care homes that do not have heavy care residents. Persons who either pass a competency examination developed by the Department of Human Resources, have been employed as personal care aides for a period of time as established by the Department, or meet minimum requirements of a combination of training, testing, and experience as established by the Department shall be exempt from the training requirements of this subdivision;

(3) Monitoring and supervision of residents; ~~and~~

(4) Oversight and quality of care as stated in G.S. ~~131D-4.1.~~ 131D-4.1; and

(5) At least one aide shall be on duty for every 30 residents during the third (night) shift."

Pulled

12

CODE NO. 97DHR-H072

Requested by: Representative Clary

ADULT CARE HOME STAFFING FOR ENHANCED PERSONAL CARE SERVICES

Sec. @. (a) The Department of Human Resources shall develop and implement a methodology for ensuring that adult care homes with twelve of more beds have adequate staff to meet the enhanced personal care needs of the home's heavy care residents. As used in this section, the term:

(1) "Adequate staff" means one staff person for every 7-10 heavy care residents of the adult care home; and

(2) "Heavy care resident" means an individual residing in an adult care home who, according to Medicaid criteria, needs intensive assistance or is totally dependent on another person for eating, toileting, or both eating and toileting.

If the Department finds that an adult care home has not provided adequate staff to meet the enhanced personal care needs of its heavy care residents, then the Department shall withhold payment for enhanced personal care services until the staffing requirements of this section have been met.

(b) The methodology developed by the Department shall be applied effective October 1, 1997. The methodology shall be incorporated into the chart of accounts used by adult care homes to complete all required cost reporting under G.S. 131D-4.2 beginning with the October 1, 1997 through September 30, 1998 cost reporting time period.

Gardner
adoption
Hold
Clary absent

13

CODE NO. 97DHR-H074A

Requested by: Representatives Gardner, Cansler, Clary

EARLY CHILDHOOD EDUCATION AND DEVELOPMENT INITIATIVES PROGRAM

Section @. (a) The General Assembly finds that it is essential to continue developing comprehensive programs that provide high quality early childhood education and development services locally for children and their families. The General Assembly intends to expand the Early Childhood Education and Development Initiatives Program (the "Program") in a manner which ensures quality assurance and performance-based accountability for the Program.

(b) Notwithstanding any provision of Part 10B of Article 3 of Chapter 143B of the General Statutes or any other provision of law or policy, the Department of Human Resources and the North Carolina Partnership for Children, Inc., jointly shall continue to implement the recommendations contained in the Smart Start Performance Audit prepared pursuant to Section 27A(1)b. of Chapter 324 of the 1995 Session Laws, as modified by Section 24.29 of Chapter 18 of the Session Laws, Second Extra Session 1996. The North Carolina Partnership for Children, Inc., shall continue to report quarterly to the Joint Legislative Commission on Governmental Operations on its progress toward full implementation of the modified audit recommendations.

(c) The Joint Legislative Commission on Governmental Operations shall, consistent with current law, continue to be the legislative oversight body for the Program. The President Pro Tempore of the Senate and the Speaker of the House of Representatives may appoint a subcommittee of the Joint Legislative Commission on Governmental Operations to carry out this function. This subcommittee may conduct all initial reviews of plans, reports, and budgets relating to the Program and shall make recommendations to the Joint Legislative Commission on Governmental Operations.

(d) Administrative costs shall be equivalent to, on an average statewide basis for all local partnerships, not more than eight percent (8%) of the total statewide allocation to all local partnerships. What counts as administrative costs shall be as defined in the Smart Start Performance Audit.

(e) Any local partnership, before receiving State funds, shall be required annually to submit a plan and budget for State funds for appropriate programs to the North Carolina Partnership for Children, Inc., and the Joint Legislative

Commission on Governmental Operations. State funds to implement the programs shall not be allocated to a local partnership until the program plan is approved by the North Carolina Partnership for Children, Inc.

(f) The North Carolina Partnership for Children, Inc., and all local partnerships shall use competitive bidding practices in contracting for goods and services on all contract amounts of one thousand five hundred dollars ($1,500) and above, and, where practicable, on contracts for amounts of less than one thousand five hundred dollars ($1,500).

(g) The role of the North Carolina Partnership for Children, Inc., shall continue to be expanded to incorporate all the aspects of the new role determined for the Partnership in the Smart Start Performance Audit recommendations and to provide technical assistance to local partnerships, assess outcome goals for children and families, ensure that statewide goals and legislative guidelines are being met, help establish policies and outcome measures, obtain non-State resources for early childhood and family services, and document and verify the cumulative contributions received by the partnerships.

(h) The North Carolina Partnership for Children, Inc., and all local partnerships shall, in the aggregate, be required to match no less than fifty percent (50%) of the total amount budgeted for the Program in each fiscal year of the biennium as follows: contributions of cash equal to at least ten percent (10%) and in-kind donated resources equal to no more than ten percent (10%) for a total match requirement of twenty percent (20%) for each fiscal year. Only in-kind contributions that are quantifiable, as determined in the Smart Start Performance Audit, shall be applied to the in-kind match requirement.

Failure to obtain a twenty percent (20%) match by May 1 of each fiscal year shall result in a dollar-for-dollar reduction in the appropriation for the Program for the next fiscal year. The North Carolina Partnership for Children, Inc., shall be responsible for compiling information on the private cash and in-kind contributions into a report that is submitted to the Joint Legislative Commission on Governmental Operations pursuant to G.S. 143B-168.13(5) in a format that allows verification by the Department of Revenue. The same match requirements shall apply to any expansion funds appropriated by the General Assembly.

(i) Counties participating in the Program may use the county's allocation of State and federal child care funds to subsidize child care according to the county's Early Childhood Education and Development Initiatives Plan as approved by the

North Carolina Partnership for Children, Inc. The use of federal funds shall be consistent with the appropriate federal regulations. Child care providers shall, at a minimum, comply with the applicable requirements for State licensure or registration pursuant to Article 7 of Chapter 110 of the General Statutes, with other applicable requirements of State law or rule, including rules adopted for nonregistered child care by the Social Services Commission, and with applicable federal regulations.

(j) The Department of Human Resources shall continue to implement the performance-based evaluation system.

(k) The Frank Porter Graham Child Development Center shall continue its evaluation of the Program. Notwithstanding any policy to the contrary, the Frank Porter Graham Child Development Center may use any method legally available to it to track children who are participating or who have participated in any Early Childhood Education and Development Initiative in order to carry out its ongoing evaluation of the Program.

(l) G.S. 143B-168.12(a) reads as rewritten:

"(a) In order to receive State funds, the following conditions shall be met:

(1) The North Carolina Partnership shall have a Board of Directors consisting of the following 39 members:

a. The Secretary of Human Resources, ex officio;

b. The Secretary of Environment, Health, and Natural Resources, ex officio;

c. The Superintendent of Public Instruction, ex officio;

d. The President of the Department of Community Colleges, ex officio;

e. One resident from each of the 1st, 3rd, 5th, 7th, 9th, and 11th Congressional Districts, appointed by the President Pro Tempore of the Senate;

f. One resident from each of the 2nd, 4th, 6th, 8th, 10th, and 12th Congressional Districts, appointed by the Speaker of the House of Representatives;

g. Seventeen members, of whom four shall be members of the party other than the Governor's party, appointed by the Governor;

h. The President Pro Tempore of the Senate, or a designee;

i. The Speaker of the House of Representatives, or a designee;
j. The Majority Leader of the Senate, or a designee;
k. The Majority Leader of the House of Representatives, or a designee;
l. The Minority Leader of the Senate, or a designee; and
m. The Minority Leader of the House of Representatives, or a designee.

(2) The North Carolina Partnership shall agree to adopt procedures for its operations that are comparable to those of Article 33C of Chapter 143 of the General Statutes, the Open Meetings Law, and Chapter 132 of the General Statutes, the Public Records Law, and provide for enforcement by the Department.

(3) The North Carolina Partnership shall oversee the development and implementation of the local demonstration projects as they are selected.

(4) The North Carolina Partnership shall develop and implement a comprehensive standard fiscal accountability plan to ensure the fiscal integrity and accountability of State funds appropriated to it and to the local partnerships. The standard fiscal accountability plan shall, at a minimum, include a uniform, standardized system of accounting, internal controls, payroll, fidelity bonding, chart of accounts, and contract management and monitoring. The North Carolina Partnership may contract with outside firms to develop and implement the standard fiscal accountability plan. All local partnerships shall be required to participate in the standard fiscal accountability plan developed and adopted by the North Carolina Partnership pursuant to this subdivision.

(5) The North Carolina Partnership shall develop and implement a centralized accounting and contract management system which incorporates features of the required standard fiscal accountability plan described in subdivision (4) of subsection (a) of this section. The following local partnerships shall be required to participate in the centralized

accountability system developed by the North Carolina Partnership pursuant to this subdivision:

a. Local partnerships which have significant deficiencies in their accounting systems, internal controls, and contract management systems, as determined by the North Carolina Partnership based on the annual financial audits of the local partnerships conducted by the Office of the State Auditor; and

b. Local partnerships which are in the first two years of operation following their ~~selection.~~ selection, except for those created by combination with existing local partnerships. At the end of this two-year period, local partnerships shall continue to participate in the centralized accounting and contract management system. With the approval of the North Carolina Partnership, local partnerships may perform accounting and contract management functions at the local level using the standardized and uniform accounting system, internal controls, and contract management systems developed by the North Carolina Partnership.

Local partnerships which otherwise would not be required to participate in the centralized accounting and contract management system pursuant to this subdivision may voluntarily choose to participate in the system. Participation or nonparticipation shall be for a minimum of two years, unless, in the event of nonparticipation, the North Carolina Partnership determines that any partnership's annual financial audit reveals serious deficiencies in accounting or contract management.

(6) The North Carolina Partnership shall develop a formula for allocating direct services funds appropriated for this purpose to local partnerships.

(7) The North Carolina Partnership may adjust its allocations on the basis of local partnerships' performance assessments. In determining whether to adjust its allocations to local partnerships, the North Carolina Partnership shall consider whether

the local partnerships are meeting the outcome goals and objectives of the North Carolina Partnership and the goals and objectives set forth by the local partnerships in their approved annual program plans.

The North Carolina Partnership may use additional factors to determine whether to adjust the local partnerships' allocations. These additional factors shall be developed with input from the local partnerships and shall be communicated to the local partnerships when the additional factors are selected. These additional factors may include board involvement, family and community outreach, collaboration among public and private service agencies, and family involvement.

On the basis of performance assessments, local partnerships annually shall be rated 'superior', 'satisfactory', or 'needs improvement'. Local partnerships rated 'superior' ~~shall~~ may receive, to the extent that funds are available, a ten percent (10%) increase in their annual funding allocation. Local partnerships rated 'satisfactory' ~~shall~~ may receive their annual funding allocation. Local partnerships rated 'needs improvement' ~~shall~~ may receive ninety percent (90%) of their annual funding allocation.

The North Carolina Partnership may contract with outside firms to conduct the performance assessments of local partnerships.

(8) The North Carolina Partnership shall establish a local partnership advisory committee comprised of 15 members. Eight of the members shall be chairs of local partnerships' board of directors, and seven shall be staff of local partnerships. Members shall be chosen by the Chair of the North Carolina Partnership from a pool of candidates nominated by their respective boards of directors. The local partnership advisory committee shall serve in an advisory capacity to the North Carolina Partnership and shall establish a schedule of regular meetings. Members shall serve two-year terms and shall not serve more than two consecutive terms. Members shall be chosen from local partnerships on a rotating basis. The advisory committee shall annually elect a chair from among its members.

(9) The North Carolina Partnership shall report (i) quarterly to the Joint Legislative Commission on Governmental Operations and (ii) to the General Assembly and the Governor on the ongoing progress of all the local partnerships' work, including all details of the use to which the allocations were

put, and on the continuing plans of the North Carolina Partnership and of the Department, together with legislative proposals, including proposals to implement the program statewide."

(m) G.S. 143B-168.13(a) reads as rewritten:

"(a) The Department shall:

(1) Develop a statewide process, in cooperation with the North Carolina Partnership, to select the local demonstration projects. The first 12 local demonstration projects developed and implemented shall be located in the 12 congressional districts, one to a district. The locations of subsequent selections of local demonstration projects shall represent the various geographic areas of the State.

(2) Develop and conduct a statewide needs and resource assessment every third year, beginning in the 1997-98 fiscal year. This needs assessment shall be conducted in cooperation with the North Carolina Partnership and with the local partnerships. The Department may contract with an independent firm to conduct the needs assessment. The needs assessment shall be conducted in a way which enables the Department and the North Carolina Partnership to review, and revise as necessary, the total program cost estimate and methodology. The data and findings of this needs assessment shall form the basis for annual program plans developed by local partnerships and approved by the North Carolina Partnership. A report of the findings of the needs assessment shall be presented to the General Assembly prior to the beginning of the 1999 Session and every three years after that date.

(2.1) Develop and maintain an automated, publicly accessible database of all regulated child care programs.

~~(3) Provide technical and administrative assistance to local partnerships, particularly during the first year after they are selected under this Part to receive State funds. The Department, at any time, may authorize the North Carolina Partnership or a governmental or public entity to do the contracting for one or more local partnerships. After a local partnership's first year, the Department may allow the partnership to contract for itself.~~

(4) Adopt, in cooperation with the North Carolina Partnership, any rules necessary to implement this Part, including rules to ensure that State leave policy is not applied to the North Carolina Partnership and the local partnerships. In order to allow local partnerships to focus on the development of long-range plans in their initial year of funding, the Department may adopt rules

that limit the categories of direct services for young children and their families for which funds are made available during the initial year.

(5) Repealed by Session Laws 1996, Second Extra Session, c. 18, s. 24.29(c).

(6) Annually update its funding formula using the most recent data available. These amounts shall serve as the basis for determining 'full funding' amounts for each local partnership."

(n) G.S. 143B-168.15 reads as rewritten:

"§ 143B-168.15. Use of State funds.

(a) State funds allocated to local projects for services to children and families shall be used to meet assessed needs, expand coverage, and improve the quality of these services. The local plan shall address the assessed needs of all children to the extent feasible. It is the intent of the General Assembly that the needs of both young children below poverty who remain in the home, as well as the needs of young children below poverty who require services beyond those offered in child care settings, be addressed. Therefore, as local partnerships address the assessed needs of all children, they should devote an appropriate amount of their State allocations, considering these needs and other available resources, to meet the needs of children below poverty and their families.

(b) Depending on local, regional, or statewide needs, funds may be used to support activities and services that shall be made available and accessible to providers, children, and families on a voluntary basis. Of the total funds allocated to all local partnerships ~~that are designated by the Secretary~~ for direct services, ~~seventy-five percent (75%) shall be used for any one or more of the following activities and services:~~

~~(1) Child day care services, including:~~

~~a. Child day care subsidies to reduce waiting lists;~~

~~b. Raising the county child day care subsidy rate to the State market rate, if applicable, in return for improvements in the quality of child day care services;~~

~~c. Raising the income eligibility for child day care subsidies to seventy-five percent (75%) of the State median family income;~~

~~d. Start-up funding for child day care providers;~~

~~e. Assistance to enable child day care providers to conform to licensing and building code requirements;~~

~~f. Child day care resources and referral services;~~

~~g. Enhancement of the quality of child day care provided;~~

~~h. Technical assistance for child day care providers;~~

~~i. Quality grants for child day care centers or family child day care homes;~~

~~j. Expanded services or enhanced rates for children with special needs;~~

~~k. Head Start services;~~

~~l. Development of comprehensive child day care services that include child health and family support;~~

~~m. Activities to reduce staff turnover;~~

~~n. Activities to serve children with special needs;~~

~~o. Transportation services related to providing child day care services;~~

~~p. Evaluation of plan implementation of child day care services; and~~

~~q. Needs and resources assessments for child day care services.~~

~~(2) Family- and child-centered services, including early childhood education and child development services, including:~~

~~a. Enhancement of the quality of family- and child-centered services provided;~~

~~b. Technical assistance for family- and child-centered services;~~

~~c. Needs and resource assessments for family- and child-centered services;~~

~~d. Home-centered services; and~~

~~e. Evaluation of plan implementation of family- and child-centered services.~~

~~(3) Other appropriate activities and services for child day care providers and for family- and child-centered services, including:~~

~~a. Staff and organizational development, leadership and administrative development, technology assisted education, and long-range planning; and~~

~~b. Procedures to ensure that infants and young children receive needed health, immunization, and related services.~~ seventy percent (70%) shall be used in child care-related activities and programs which improve access to child care services, develop new child care services, or improve the quality of child care services in all settings.

(c) Long-term plans for local projects that do not receive their full allocation in the first year, other than those selected in 1993, should consider how to meet the assessed needs of low-income children and families within their neighborhoods or communities. These plans also should reflect a process to meet these needs as additional allocations and other resources are received.

(d) State funds designated for start-up and related activities may be used for capital expenses or to support activities and services for children, families, and providers. State funds designated to support direct services for children, families, and

providers shall not be used for major capital expenses unless the North Carolina Partnership approves this use of State funds based upon a finding that a local partnership has demonstrated that (i) this use is a clear priority need for the local plan, (ii) it is necessary to enable the local partnership to provide services and activities to underserved children and families, and (iii) the local partnership will not otherwise be able to meet this priority need by using State or federal funds available to that local partnership. The funds approved for capital projects in any two consecutive fiscal years may not exceed ten percent (10%) of the total funds for direct services allocated to a local partnership in those two consecutive fiscal years.

(e) State funds allocated to local partnerships shall not supplant current expenditures by counties on behalf of young children and their families, and maintenance of current efforts on behalf of these children and families shall be sustained. State funds shall not be applied without the Secretary's approval where State or federal funding sources, such as Head Start, are available or could be made available to that county.

(f) Local partnerships may carry over funds from one fiscal year to the next, subject to the following conditions:

(1) Local partnerships in their first year of receiving direct services funding may, on a one-time basis only, carry over any unspent funds to the subsequent fiscal year.

(2) Any local partnership may carry over any unspent funds to the subsequent fiscal year, subject to the limitation that funds carried over may not exceed the increase in funding the local partnership received during the current fiscal year over the prior fiscal year.

(g) Not less than thirty percent (30%) of each local partnership's direct services allocation shall be used to expand child ~~day~~ care subsidies. To the extent practicable, these funds shall be used to enhance the affordability, availability, and quality of child ~~day~~ care services as described in this section. The North Carolina Partnership may increase this percentage requirement up to a maximum of fifty percent (50%) when, based upon the local waiting list for subsidized child care or the total percentage of children served whose families are income eligible for subsidized child care, the North Carolina Partnership determines a higher percentage is justified."

(o) The North Carolina Partnership shall not apply the subsidy requirement in G.S. 143B-168.15(g) to the 45 counties eligible to receive planning funds in 1997-98.

(p) There is allocated from the funds appropriated to the Department of Human Resources, Division of Child Development, in this act, the sum of twenty-one million one hundred seventy-nine thousand seven hundred forty-seven dollars ($21,179,747) for the 1997-98 fiscal year and the sum of twenty million three hundred twenty-nine thousand seven hundred forty-seven dollars ($20,329,747) for the 1998-99 fiscal year to be used as follows:

(1) Of the 35 partnerships existing as of the 1996-97 fiscal year, funds for direct services shall be increased a total of $14,137,034 for the 1997-98 fiscal year and $14,137,034 for the 1998-99 fiscal year. The North Carolina Partnership for Children, Inc., may use up to $1,500,000 of these funds in the 1997-98 fiscal year as planning funds for the remaining 45 unfunded counties.

(2) For the 12 new partnerships planned for as of the 1996-97 fiscal year, funds shall be $5,252,713 for the 1997-98 fiscal year and $5,252,713 for the 1998-99 fiscal year to administer and deliver direct services.

(3) The North Carolina Partnership for Children, Inc., shall receive an additional $700,000 in the 1997-98 fiscal year and an additional $700,000 in the 1998-99 fiscal year for the State-level administration of the Program.

(4) The Department of Human Resources shall receive $750,000 in nonrecurring funds in the 1997-98 fiscal year to conduct a statewide needs and resources assessment.

(5) The Department of Human Resources shall receive $100,000 in nonrecurring funds in the 1997-98 fiscal year to complete the automation of a database of all regulated child care programs.

(6) The Department of Human Resources shall receive $240,000 in the 1997-98 fiscal year and $240,000 in the 1998-99 fiscal year for professional development programs.

(q) Of the funds appropriated to the Department of Human Resources for the Program for the 1997-99 biennium, the Frank Porter Graham Child Development Center shall receive the sum of eight hundred fifty thousand dollars ($850,000) for the 1997-98 fiscal year and the sum of eight hundred fifty thousand dollars ($850,000) for the 1998-99 fiscal year.

Gardner / accepted

CODE NO. 97DHR-H002C

Requested by: Representatives Gardner, Cansler, Clary

EARLY INTERVENTION FUNDING/REFERRAL

Sec. @. Of the funds appropriated in this act to the Department of Human Resources, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, the sum of five million dollars ($5,000,000) for the 1997-98 fiscal year and the sum of five million dollars ($5,000,000) for the 1998-99 fiscal year shall be allocated based on a plan developed in consultation with the affected divisions within the Department and the North Carolina Interagency Coordinating Council to meet the needs of those children who are on the waiting list for early intervention services. The Department may create up to 41 new positions, as needed, in the Division of Services for the Blind and the Division of Services for the Deaf and Hard of Hearing to expand early intervention-related preschool services.

The agencies providing early intervention services to children from birth through five years shall work together to develop procedures to ensure that Beginnings for Parents of Hearing-Impaired Children, Inc. shall be notified of children newly identified with hearing loss and determined to be eligible for services.

Gardner/accepted

CODE NO. 97DHR-H059

Requested by: Representatives Gardner, Cansler, Clary

ALLOCATION OF MENTAL HEALTH, DEVELOPMENTAL DISABILITIES, AND SUBSTANCE ABUSE EXPANSION FUNDS

Section @. Of the funds appropriated in this act to the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, Department of Human Resources, for expansion of mental health, developmental disabilities, and substance abuse programs and services, other than crisis services, those funds needed by area authorities for "catch-up" purposes shall be allocated pursuant to the Incentive Method adopted by the Mental Health Study Commission and presented in the Commission's Report to the 1996 General Assembly.

Gardner Accepted

26

CODE NO. 97DHR-H055

Requested by: Representative Crawford

BUTNER COMMUNITY LAND RESERVATION

Section @. The Department of Human Resources shall reserve and dedicate the following described land for the construction of a Community Building and related facilities to serve the Butner Reservation:

"Approximately 2 acres, on the east side it borders Central Avenue with a line running along the Wallace Bradshur property on the north back to the tree line next to the ADATC. From there it follows the tree line south and west to an including the softball field. From the softball field it turns east to the State Employees Credit Union and follows the Credit Union property on the south side back to Central Avenue."

This land shall be reserved and dedicated for the project which shall be funded with contributions from Granville County, contributions from the residents of the Butner Reservation, the use of cablevision franchise rebate funds received by the Department of Human Resources on behalf of the Butner Reservation, and other public and private sources.

The Butner Planning Council shall advise the Secretary of Human Resources, through resolutions adopted by the Council, regarding the use of this reserved and dedicated land, the construction of the Community Building, and the expenditure of the cablevision franchise rebate funds.

The Department of Human Resources shall reserve and dedicate the above described property for the above described purposes until the time, if any, that a permanent local government is established on the Butner Reservation at which time the land shall be transferred to the local government.

Gardner/accepted

CODE NO. 97DHR-H073A

Requested by: Representatives Gardner, Cansler, Clary

WHITAKER SCHOOL REPLACEMENT FACILITY

Sec. @. The Department of Human Resources and the Office of State Budget and Management shall, in consultation with the Human ~~Relations~~ Rights Committee of the Whitaker School in Butner, attempt to locate an existing facility that would be a suitable replacement facility for the Whitaker School. To be a suitable replacement, the existing facility must be of size and structural condition to reasonably accommodate current needs and must represent overall an improvement over the current facility housing Whitaker School. The facility may be located in Butner or elsewhere. If a suitable facility is located, then the Department and Office of State Budget and Management shall pursue funding for repairs and renovations that may be necessary to render the facility a suitable replacement. Not later than May 1, 1998, the Department shall provide a status report on its search for a replacement facility to the House and Senate Appropriations Subcommittees on Human Resources, the Fiscal Research Division, and the Human Relations Committee of the Whitaker School.

Gardner/ accept w/ new leng.

28

CODE NO. 97DHR-H069

Requested by: Representatives Gardner, Cansler, Clary

LEGISLATIVE STUDY COMMISSION ON MENTAL HEALTH, DEVELOPMENT DISABILITIES, AND SUBSTANCE ABUSE SERVICES

Sec. @. G.S. 120-205 reads as rewritten:

"**§ 120-205. Commission membership; meetings; terms; vacancies.**

(a) This commission shall be composed of ~~21~~ 22 members appointed as follows:

(1) Seven members of the House of Representatives at the time of their appointment, appointed by the Speaker of the House of Representatives. Of these members, one shall be a Chair of the House Appropriations Subcommittee on Human Resources;

(2) Seven members of the Senate at the time of their appointment, appointed by the President Pro Tempore of the Senate. Of these members, one shall be the Chair of the Senate Human Resources Appropriations Committee;

(3) Three members who are representatives of Coalition 2001, appointed by the Governor. Of these members, one shall be a representative from mental health, one from developmental disabilities, and one from substance abuse services;

(4) Two members of the public, appointed by the Speaker of the House of Representatives. Of these members, one shall be a county commissioner at the time of appointment, selected from a list of four candidates nominated by the North Carolina Association of County Commissioners. If the Association has failed to submit nominations by September 1, 1996, the Speaker of the House of Representatives may appoint any county commissioner; ~~and~~

(5) Two members of the public, appointed by the President Pro Tempore of the Senate. Of these members, one shall be a county commissioner at the time of appointment, selected from a list of four candidates nominated by the North Carolina Association of County Commissioners. If the Association has failed to submit nominations by September 1, 1996, the President Pro Tempore of the

Gardner/accept

29

CODE NO. 97DHR-H066

Requested by: Representative Gardner

EXTEND DHR ADMINISTRATION OF TRI-COUNTY/TRI-COUNTY REALIGNMENT INCENTIVE FUNDS

Sec. @. (a) Notwithstanding S.L. 1997-7, the Department of Human Resources may continue to administer the services of the Tri-County Area Authority in accordance with G.S. 122C-125.1 on behalf and at the request of the board of county commissioners of one or more of the counties that constitute the Tri-County Area Authority. The extension granted under this subsection shall be for a period not to exceed three calendar months commencing July 1, 1997, and shall be for the sole purpose of allowing one or more of the counties that constitute the Tri-County Area Authority to assess the feasibility of aligning with another existing area authority.

(b) Of the funds appropriated in this act to the Department of Human Resources, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, the sum of one million two hundred thousand dollars ($1,200,000) in the 1997-98 fiscal year and the sum of one million two hundred thousand dollars ($1,200,000) for the 1998-99 fiscal year shall be allocated by the Division to any existing area authority that has aligned with one or more of the counties that comprised the Tri County Area Authority. Funds shall be allocated only if the per capita funding level for the existing area authority is greater than the per capita funding level of the county that aligned with the existing area authority. Funds allocated to an existing area authority under this subsection shall not exceed the amount necessary in each fiscal year to raise the aligned county's level of per capita funding to that of the existing area authority.

If the funds appropriated for the purpose of this subsection are not sufficient, then notwithstanding G.S. 143-16.3 and G.S 143-23, the Department of Human Resources shall allocate from funds available to the Department the amount necessary to make up the difference between the amount needed and the amount appropriated. Funds allocated under this subsection shall not be used for any purpose other than the purpose authorized. Funds appropriated but not allocated at the end of the 1997-99 fiscal biennium shall revert to the General Fund.

Gardner/accept

31

CODE NO. 97DHR-H060

Requested by: Representatives Gardner, Cansler, Clary

PROCEDURE FOR PRISONERS HELD IN COUNTY JAIL

Sec. @. Notwithstanding Chapter 122C of the General Statutes, prisoners held in a county jail, other than prisoners who have been found to be incapable of proceeding to trial pursuant to Article 56 of Chapter 15A of the General Statutes, who require mental health treatment that the county decides can best be provided by inpatient care, shall be transported to the mental health unit of Central Prison in accordance with G.S. 162-39.

Gardner/Cansler

CODE NO. 97DHR-H076

Requested by: Representative Cansler

CHILD CARING INSTITUTION FUND

Section @. (a) There is allocated from the funds appropriated to the Department of Human Resources, Child Caring Institution Fund, the sum of two million dollars ($2,000,000) for the 1997-98 fiscal year and the sum of two million dollars ($2,000,000) for the 1998-99 fiscal year in order to increase the balance in the CCI Fund. Funds allocated under this section shall be used to increase the private child caring agency reimbursement rate for the State-funded portion of services to children who are not eligible for federal IV-E or AFDC-EA subsidies.

(b) Funds allocated under this section shall be used to increase reimbursement rates to those child caring agencies providing residential care services and behavioral health care services under agreements with the county departments of social services during fiscal year 1996-97. Counties shall not reduce their contributions to the agencies' cost of care as a result of the allocation of funds under subsection (a) of this section. County contributions to the cost of care shall continue to be negotiated between the counties and the agencies. County contributions to the cost of care shall not be used to reduce or offset State reimbursement for the cost of care in private child caring institutions.

(c) Funds allocated under this section shall be allocated to agencies by the Division of Social Services according to the current and agreed upon formulas and reimbursement methodologies, adjusted to reflect the additional funds appropriated. Funds allocated from the CCI Fund may be used by agencies to match federal funds for eligible children.

Gardner

CODE NO. 97DHR-H078

Requested by: Representative Aldridge

ADOLESCENT PARENTING PROGRAM

Section @. Any local program receiving State Adolescent Parenting Program funds shall comply with the objectives for instruction contained in G.S. 115C-81(e1)(3) and the limitations on instruction contained in G.S. 115C-81(e1)(8).

Swallachment #3 5/27/97 pm

CODE NO. 97DHR-H083A

Requested by: Representative Gardner

PILOT PROGRAM TO CONSOLIDATE SERVICES FOR SENIORS

Sec. @. (a) The purpose of this section is to determine the feasibility and desirability of providing services to senior citizens at the local level through a single local government entity, with the aim of avoiding duplication of effort and resources, streamlining service delivery, and ensuring that the needs of older adults are efficiently and equitably matched to community social and health services. To this end, notwithstanding any other provision of State law to the contrary, and to the extent not prohibited by federal law, the Rowan County Senior Services Department shall be the single portal of entry for all services to senior citizens in Rowan County, except for adult protective services. The Division of Aging and the Division of Social Services, Department of Human Resources, shall provide the assistance necessary, including assistance in the allocation or distribution of funds appropriated for services to older adults, to carry out the purposes of this section.

(b) The Department of Human Resources shall provide a status report to the members of the House and Senate Appropriations Committees on Human Resources not later than May 15, 1998 on the consolidation of services authorized under subsection (a) of this section. Not later than February 1, 1999, the Department shall make its final report to the 1999 General Assembly, and to the House and Senate Appropriations Committees on Human Resources and the Fiscal Research Division.

(c) This section expires June 30, 1999.

Attachment # 4 5/27/97 pm

CODE NO. 97DHR-H084

Requested by: Representatives Gardner, Cansler, Clary

FORENSIC TREATMENT PROGRAM

Sec. @. The Commission for Mental Health, Developmental Disabilities, and Substance Abuse Services shall adopt temporary rules, in accordance with Chapter 150B of the General Statutes, to implement the forensic treatment program at Dorothea Dix Hospital. Notwithstanding the provisions of Chapter 122C of the General Statutes pertaining to seclusion, the rules shall include, for the purpose of protecting the health, safety, and welfare of patients, employees, and the general public, provisions for locking the rooms of patients in the forensic treatment program during rest times, including normal sleeping hours.

5/21/97
attachment #5

Looking Forward, Looking Back

Meeting the Needs of Children and Families in Western North Carolina

October 1, 1993 - September 30, 1996

Submitted by The North Carolina Department of Human Resources
101 Blair Drive
Raleigh, North Carolina
(919) 733-4534

STATE OF NORTH CAROLINA
OFFICE OF THE GOVERNOR
RALEIGH 27603-8001

JAMES B. HUNT, JR.
GOVERNOR

In three short years, the communities of Western North Carolina have made tremendous strides in improving the lives of young children and their families. With support from the Appalachian Regional Commission, communities worked to improve child care, early childhood education and health care for young children.

In communities with a history of collaboration, Commission funding helped speed those efforts; in others, it focused attention in new and sometimes unexpected ways on the needs of young children and families. The work has not always been easy, but the people and the communities persevered, and much progress has been made.

Through these efforts, we've learned that what is good for children and families is good for business and for economic growth. The Appalachian Regional Commission has a long history of supporting and nurturing economic development, and this investment in our children will pay dividends far beyond anything we can predict today. Our future work force depends on the education and training of young people, and our children and grandchildren deserve the very best start in life that we can give them.

I wish that I could personally thank everyone who took part in these projects. Nothing is more important than helping the youngest and most vulnerable among us - our children. As we move forward in implementing Smart Start statewide, the work that started with these grants will help to ensure that communities are prepared to make the most of that opportunity.

Table of Contents

Introduction.....1

Background.....2

The Grant Program.....4

- Overview.....4
- Development at the Local Level.....5
  - Organizational Development
  - Planning
  - Program Development and Delivery of Services
  - Collaboration
- Capacity Building through Regional Projects.....13
  - Public Awareness
  - Mentor Teams
  - Grants Assistance
  - Leadership Development
  - Telecommunications
  - Financial Management
  - Collaboration and Strategic Planning for Local Boards

Outcomes of the Grant Program.....21

- Development at the Local Level
- Emergence of a Regional Identity
- Contributions to Regional Development
- Keys to Success
- Overcoming Obstacles

Future Directions.....26

- Creating Family Support Systems
- Planning for Systemic Change
- Promoting An Understanding of Child Development
- Telecommunications

Conclusion.....29

Acknowledgements.....32

.... We have a great preschool program at First Baptist Church. We care for all children and their parents. ARC grants have helped us to make a great program even better. We have been able to provide staff training, buy needed equipment, an start and infant program ..... The grants have allowed us to make these needed improvements without increasing the cost of day care to parents.

Betty Cockerel, Director
First Baptist Church
Child Development Center
Taylorsville

... the ARC grant helped us get things moving in Stokes County. We were able to equip an office, hire support staff, and start a Resource and Referral service.
... The Internet access is great!

Gail Cruise, Executive Director
Stokes County Partnership for Children

The ARC grant has given our community the opportunity to bring together, in a cooperative effort, agencies and organizations to address some of the issues surrounding quality child care. We have been able to plan and implement a Child Care Resource and Referral office ....

Grace Poli
Chair, Advisory Committee
Henderson County CCR/R

... ARC funding has meant far more coordination and cooperation between day care providers, service providers and the community..... It has also allowed us to increase the number of available day care slots.

Lynn James-Smith, Board member
Alexander County Partnership for Children

Introduction

In September 1993, the North Carolina Department of Human Resources entered into an unprecedented agreement with the Appalachian Regional Commission. This agreement called for a program to prepare North Carolina's Appalachian counties to participate in "Smart Start", the state's pioneering early childhood initiative, and to help counties better meet the immediate needs of young children and their families. To prepare these counties to design and implement local Smart Start initiatives, the agreement with the Appalachian Regional Commission called for facilitating community-based activity to promote access to the critical services that young children and their families need.

The initial goals of the program were

- to assist Appalachian counties with assessing the needs of young children.
- to support the mobilization of resources to meet children's needs.
- to promote the formation of local Partnerships for Children.
- to increase community involvement with children's issues.

Regional progress during the three-year program period has been clear, consistent, and impressive. Successful county capacity building is readily evident in the areas of organizational development, strategic planning, program development, and collaboration. Through targeted regional training projects, counties have also acquired skills in public relations, grantsmanship, telecommunications, and leadership. As one indicator of their successful capacity building, a total of 19 of the 29 Appalachian Regional Commission counties have now been selected to formally participate in the state's Smart Start program.

In the remainder of this report, more specific information about the three-year program and county achievements will be presented. In addition, factors contributing to the successes of the program will be delineated. The report concludes with recommendations for future development.

Background



Enacted by the North Carolina General Assembly in July 1993, Governor Jim Hunt's Smart Start initiative targets children from birth to age 5 to ensure that they come to school healthy and ready to learn. In contrast to many government programs, the Smart Start initiative is predicated on local control. This approach is based on the recognition that, in North Carolina, young children and their families exhibit a wide range of needs. Similarly, communities vary greatly in the resources they have to meet those needs. Therefore, rather than having the state develop a single plan for all communities, communities are invited to formulate plans based on their specific needs and resources.

To most effectively formulate these plans, the Smart Start initiative calls for the formation of local Partnerships for Children. These partnerships expand the traditional boundaries of human service planning groups to include business leaders, family members, community leaders, churches, and representatives of local government. Through the creation of a partnership, members of both the public and the private sectors work together in a common effort to benefit young children. This ensures broad community representation in the comprehensive planning process. In addition to developing plans for quality early education and related children's services, the local partnership also acts to strengthen and empower families.

Smart Start plans vary from one county to the next. Plans are developed at the local level and designed to meet a county's particular needs. There is no one Smart Start program. Local Smart Start plans may incorporate recruitment of family day care providers, mini-grants to improve the quality of existing care, parenting education, literacy training, improved family health care, and creation of Family Resource Centers. Decisions about which programs to include are based on needs. The needs of children and their families are the central forces that shape a county plan.

The principles outlined in the Smart Start initiative call for a number of major changes in approaches to meeting the needs of young children and their families. The active involvement of multiple community groups, the formation of a local partnership that transcends traditional agency boundaries, decision-making at the local level, and the development of public-private partnerships are among the hallmarks that distinguish this approach. Effecting these changes in policy and practice is challenging; it also takes time. If local resources are stretched from the outset, the effort becomes more difficult. Those with limited resources may also suffer a secondary effect: as other counties make these changes and move ahead, counties that don't change fall even further behind.

Local Smart Start programs across the state are demonstrations of how communities can integrate knowledge and resources to develop comprehensive county-wide networks of service for young children. Though only in its fourth year, the state Smart Start program has gained national recognition. Based on such features as comprehensive planning, Smart Start has been cited as one of the top eight early childhood initiatives in the country. In a recent issue of *Working Mother* magazine, Smart Start was called a model for the rest of the nation in its approach to meeting the needs of families.



While North Carolina possesses extensive knowledge and a range of resources which support the development of young children, they are not equally available to all communities. Rural and geographically remote areas, such as North Carolina's Appalachian Region, are far removed from the state's urban centers. Citizens in these rural areas frequently live without adequate health care, public transportation, and the highly developed human service systems that are available in urban areas of the state.

The needs of children in the Appalachian region of North Carolina are well-documented. Young children get much of their intellectual stimulation through interactions with adults. Yet, based on the 1990 Census, between 15% and 25% of the adults over age 25 are functionally illiterate in more than half of the Appalachian Regional Commission (ARC) counties. All young children are dependent on their parents for nutritious food and adequate shelter. Children living in poverty often live in substandard housing; sometimes, they go to bed hungry. According to the 1990 Census, the percentage of children under 6 living in poverty exceeds the state average of 19.12% in 11 ARC counties. In 6 of these counties, the number of children living in poverty rises to 25% or more. These statistics are a thumbnail sketch. Though much more detailed, the big picture looks the same: young children in western North Carolina have basic needs that are not met.

The state's Smart Start initiative offers a unique opportunity to begin the process of planning to better meet the needs of young children and their families. In addition to a lack of services to meet human needs, services that are available are often fragmented and difficult to access. Across the state, there has been little community awareness of children's needs and little attention to the quality of available services. In contrast, the Smart Start initiative calls for integrated services and service plans that are comprehensive. The initiative also calls for broad-based community support and the commitment of key community leaders. Following these principles, Smart Start leads not simply to more services but also to services that make better use of existing resources.

The Grant Program

Overview

The three-year grant program was implemented by the North Carolina Department of Human Resources under the direction of Secretary C. Robin Britt, Sr.. Peter Leousis, Assistant Secretary for Children, Youth, and Families, was responsible for administration of the grant and served as the program's director. Doris Huffman, the Department's Intergovernmental Liaison in the Appalachian region, managed all program operations.

The central focus of the grant program has been capacity building. The capacities most needed were identified by the ARC counties on the basis of what they thought would better prepare them for participation in the statewide Smart Start Initiative. Financial support, training opportunities, technical assistance, computer applications, and confidence in their developing abilities are among the critical resources this grant program made available to the ARC counties.

There was no expectation that counties would use these resources to reach the same goals. From the outset, the program recognized that counties have different needs, resources, and priorities. Rather than expecting counties to achieve uniform results, the basic goal of the three-year program was for every county to grow in their capacity to set and meet achievable goals. Thus every county participating in the program was challenged, although in different ways.

Given every participant's commitment to long-term development, program activity consistently included the identification of resources to support ongoing capacity building. It also included ensuring that there were records of the work that was done. These records take the form of guides, a slide show and videotape, a regional newsletter, and a computer equipped for connection to the Internet. These records are designed to promote continuity in each county's development efforts and to serve as models for other counties and regions.

LOCAL DESIGN AND LOCAL CONTROL ARE DISTINCTIVE FEATURES OF THE PROGRAM

The grant program consisted of two major components: local grants and regional projects to support local development. ARC counties that had not yet received Smart Start funding from the state were eligible for mini-grants through the ARC program. On an annual basis, these counties submitted proposals and requested funds for projects that addressed the particular needs of children and families in their county. Once funded, these grants were administered at the

local level. Local design and local control are distinctive features of this component of the program. The second component is made up of regional projects. These projects were selected to build the critical capacities that counties identified during the first year of the grant program.

Each of the 29 ARC counties has benefited directly from the grant program. Every eligible county has applied for and been awarded a local ARC grant. These awards ranged from first year grants of approximately $25,000 to grants up to $35,000 per county in the third year of the program. These funds have clearly served as a catalyst for organization, planning and program development in ARC counties. As the capacities of counties developed, many were successful in drawing on ARC funds to leverage support from other sources, including selection as Smart Start pilot sites. Within counties, support included cash and in-kind contributions such as office space, office equipment, and professionals who volunteered their expertise.

Development at the Local Level

At the local level, county participants have developed a rich repertoire of capacities and a long list of achievements of which to be proud. In this report, achievements in the following areas will be discussed.

- Organizational Development
- Planning
- Program Development and Delivery
- Collaboration

These areas were chosen for discussion because progress in them has been clear, significant, and sustainable.

Although these capacities will be described separately, they are interrelated. A group must reach a certain level of organization before members can engage in a meaningful planning process. The planning process typically includes setting parameters for program development. Organizing, planning, and program development all require collaborative effort.

One of the strengths of the grant program has been the development of these capacities in the context of county activity. This context has made it possible for participants to observe how a capacity they are developing contributes to the operation of their organization as a whole.

Knowing in what directions the organizations were moving and having a clear sense of what challenges they might next encounter provided a solid foundation for identifying capacities they would need to successfully meet those challenges.

Organizational development

Organizational development is a coherent process. The logic inherent in the process makes it possible to discern phases in the development of organizations. With regard to the groups served by this grant program, phases in the development of their organizations included (1) formation of a local partnership, (2) emergence of group identity, and (3) working collaboratively. The recognition of phases and an approximate sequence contributed to the design of a grant program that accommodated different levels of capacity without compromising any group's potential for change. Knowing in what direction the organizations were moving, and having a clear sense of what challenges they might next encounter, provided a solid foundation for identifying capacities they would need to successfully meet those challenges.

A primary goal in the area of organizational development has been the formation of county Partnerships for Children. These partnerships are one of the distinguishing features of the statewide Smart Start initiative. As defined in that initiative, a local partnership consists of a minimum of 18 members who, as a group, represent a broad base of the community.

The partnership is responsible for developing and implementing a comprehensive, results-driven plan to meet the goals of the Smart Start initiative. Members of the partnership must also participate in the Smart Start evaluation and accountability effort. Frequently, partnerships begin their planning process with the formation of task forces or subcommittees that address particular issues, identify goals, and report back to the group. The formation of these partnerships at the local level is a convincing demonstration of community commitment to the well-being of children and families. Once established, the partnership serves as a forum for the discussion of children's issues. In this way, the

OVER THE COURSE OF THE 3-YEAR ARC GRANT PROGRAM, COUNTIES MADE MARKED PROGRESS IN THE AREA OF ORGANIZATIONAL DEVELOPMENT

partnership contributes to public awareness that children's issues affect the future development of the community. The partnership also attracts broad-based community support for actions that address children's issues.

Over the course of the 3-year ARC grant program, counties made marked progress in the area of organizational development. In October of 1993, the overwhelming majority of ARC counties had neither an interagency group nor a broad-based community group dedicated to comprehensive planning for children. Without such a group, children and families are more likely to experience fragmentation of services and discontinuities in care. At the same time, professionals are less likely to be aware of the gaps in service and have little or no opportunity to discuss the possibilities of sharing resources.

By September 30, 1996, 26 of the 29 ARC counties had formed local Partnerships for Children. While engaged in the process of creating these local partnerships, county participants also identified indicators of attitudinal changes. These include a growing sense of empowerment, a greater valuing of team work, and the beginnings of sharing resources. Though not as readily visible as some indicators are, these attitudinal changes are critical to sustaining efforts on behalf of young children and their families. The chart below provides summary statistics of the progress that counties made in the area of organizational development during the 3-year grant period.

SUMMARY OF ARC COUNTY PROGRESS

October, 1993

Number of Counties

Planning Team	Expanded needs assessment	Partnership Incorporated	Short-term Plan	Collaboration/ Leadership Training	Community Outreach	Long- term plan	Selected for Smart Start
11	**0**	**0**	**9**	**0**	**2**	**0**	**9**

October, 1996

Number of Counties

Planning Team	Expanded needs assessment	Partnership Incorporated	Short-term Plan	Collaboration/ Leadership Training	Community Outreach	Long- term plan	Selected for Smart Start
28	**28**	**26**	**29**	***29**	**28**	**21**	**19**

* Collaboration and/or Leadership Training

Planning

The Department of Human Resources funded a statewide county assessment of needs and resources. These assessments were done in spring, 1994 and provided the basis for planning local early childhood initiatives. All of the ARC counties participated in the assessment process. All successfully completed it. The information gathered was extensive and detailed. Areas assessed included maternal and child health, child care availability, school readiness, and parent education opportunities. The assessment of resources included the identification of services, facilities, and organizations that serve children and families. Human service agency staff members, local government officials, kindergarten teachers, and families were interviewed to insure broad-based participation in the assessment process. The assessment produced data intended for use in establishing priorities and planning to meet young children's needs.

Meaningful opportunities to use the results of the assessment and propose projects on the basis of the needs identified were presented each year through a local ARC grant application. The application was deliberately streamlined to maximize participation in the grant program. However, completion of the application required a description of need, careful planning, and creative problem-solving. To ensure that it was representative of other grant applications, development of this form was based on the application used by the Z. Smith Reynolds Foundation in Winston-Salem, North Carolina.

In addition to the application for ARC funding, counties have also had the opportunity to submit applications for Smart Start funding. More comprehensive in scope, the Smart Start application is longer and more detailed. It requires responses that range from an assessment of the quality of regulated child care in the county to a description of how families will be involved in the planning process. The criteria used to rate these applications included commitment to initiate and institute strategic policies to improve the well-being of young children and their families, understanding of the current status of young children and families in the county, and appropriate knowledge and expertise to make decisions regarding policy and allocation of resources.

Reviewing the three-year program period, improvements in county applications for ARC funding and Smart Start site selection are readily apparent. One shift in their work is that the needs of children and families are more specifically and clearly identified. Another is increased skill in setting goals related to the identified needs. A final shift is formulating plans of action based on stated goals and needs. As specific evidence of these shifts, reviewers' comments on Smart Start applications from ARC counties in April 1996 included the following: "This proposal represents a coming together out of strife with a strong will

to go forward. The use of a community wide survey is a great strength." "Strong analysis of the strengths and weaknesses of child education, child care and health and human resources. The long-term goals were well connected to analysis and information in application." "This application demonstrates that tremendous progress has been made by the county over the past several years. The new and existing initiatives are exciting and show that the county is on the verge of being ready for Smart Start."

Another planning capacity developed during this period is the ability to establish priorities. The ARC funding that counties applied for was not sufficient to meet children's identified needs. The planning team or partnership had to make decisions about which to address. In addition to cost, group members also came to consider factors such as the feasibility and manageability of projects. Many of the planners had, at one time or another, been in the position of getting less funding than they requested. For most, these were first experiences in making the decisions about which groups will get less than they need. Making these decisions is difficult, whether one is a novice or an established agency director. Making these difficult decisions helped these groups to mature and prepared them to assume more responsibility for setting long-range goals and making decisions based on them. As they became more skilled in setting priorities, groups also worked on articulating the rationales for their decisions. This ability to articulate the reasons for their actions has been important to gaining wider community support for their efforts.

Commitment Competence Vision This is the Stuff From Which Communities Grow.

Families and children in ARC counties have basic needs that go unmet. This has been clearly documented. With the support of the Appalachian Regional Commission, groups of early childhood professionals, human service providers, educators, business leaders, local officials, and family members have begun to develop plans to meet these needs in their community. The value of this involvement cannot be overestimated. The vitality of communities cannot be mandated. It requires regeneration from within. Commitment, competence, and vision: this is the stuff from which communities grow.

Program development and delivery of services

In addition to organizational development and planning, local grants have allowed the counties to demonstrate how Smart Start funding can provide new services or enhance existing resources. Since October 1, 1993, 18,294 children and families have been served with the support of ARC funding. In addition, 28,461 children and families received indirect services such as brochures and handbooks. The specific services provided by counties are detailed in the table below. These figures, in and of themselves, are impressive. In the course of providing these services, county teams and partnerships often based service designs on innovative strategies and model programs.

Services Provided to Children and Families through Appalachian Regional Commission Grants 1993-1996

	Program or Service Provided	Number Served
Direct Services	Services to increase quality and accessibility of child care	6,159
	Programs for parents	8,590
	School readiness	3,545
Total Direct Services		18,294
Indirect Services	Targeted distribution of information about development and early education	28,461
Total Services Provided		**46,755**

As seen in the table, a primary area of concern in the ARC counties is the quality of child care. A number of counties aimed to improve the quality of care by offering training for child care providers. More specifically, one county arranged to make training available by directly involving a local community college. Another county worked with the local chapter of the National Association for the Education of Young Children to coordinate monthly training for child care workers. To support ongoing staff development, another county created a newsletter that is circulated to providers and parents. One county reported that, as a result of the training and support they provided, their staff turnover rate decreased 50 % this year.

Other efforts to improve the quality of child care included mini-grants to child care providers for equipment, materials and repairs. Quality was also enhanced through curricular innovations. For example, one county Partnership for Children collaborated with an educational facility to offer a preschool science program in local child care centers. The preschool education specialist who presented the program to children also trained members of the center staff so they could provide follow-through on lessons.

Another priority in the ARC counties is providing support services for families. To this end, many ARC counties have been engaged in planning and creating Family Resource Centers. Family Resource Centers are integrated

centers that move services in the direction of comprehensive delivery plans. Unlike the traditional service model that requires a parent go to different agencies to access health care for their child, job training for themselves, and nutritional counseling for their family, a single Family Resource Center may offer all of these services. In addition to service programs, a Center typically offers information about other community resources.

In addition to the emphasis on comprehensive service delivery, the design of Family Resource Centers is also distinct in terms of its emphasis on prevention. Many human service programs are crisis-oriented. They are designed to deal with deficits and emergencies. In contrast, a Family Resource Center is designed to prevent problems by offering programs that help families develop the skills they need as well as learn how to apply skills they have. When families have problems, a Resource Center can make varying degrees of support available. The support they offer reflects the range of needs families have. Family Resource Centers established in the ARC counties offer a variety of programs. These include programs to develop parenting skills, story hours, access to computers with educational software for children, literacy programs, and play groups.

Another program that offers support to families is a Resource and Referral Service. As the name implies, this service provides information about the types of programs that are available in a community and how to access them. In most instances, the Resource and Referral Service is provided over the telephone. Typically, the service focuses on providing information about the availability of child care in the community.

Collaboration

Forming Partnerships for Children, jointly developing plans, and creating programs all required some degree of collaborative effort. Several types of collaborative groupings emerged in the work done by the counties. These include:

- Collaboration by members of the planning team or partnership
- Collaboration between the partnership and other organizations in the county
- Collaboration with groups based outside the county or region

Many of us think of collaboration as cooperation. However, collaboration requires a greater investment and has the potential for greater return.



Collaborative effort depends on the ability to communicate. It usually involves cooperation and coordination. By definition, it entails the sharing of resources.

As an example of this, one agency offers monies in order to leverage other funding that will support a project involving a group of agencies. The resources that are shared may be materials, staff, expertise, or equipment. Whatever they are, they are not simply exchanged. Rather, they are offered to the group for the purpose of helping the group reach its common goals

In many ARC counties, interagency communication was, itself, an achievement. Historically, each agency has had a narrowly defined purpose, set procedures for providing its services, and little latitude for modifying its operations. Nonetheless, by the end of the three-year grant program, all ARC counties had successfully established interagency communications and moved beyond this stage of development as collaborators.

Both public and private funding sources are calling for collaborative effort. Most nonprofit organizations are attempting work with other agencies and organizations. It is challenging work. We are raised to compete with each other. We are urged to win. That means others must lose. In striking contrast, collaboration is a win-win situation. It is a different way of thinking. It requires new skills. The planning teams and local partnerships are working models of how the shift from "my" to "our" can be accomplished. Though neither a simple nor a quick change, most of the ARC counties have directly experienced the benefits of joining together to achieve shared goals.

To build these capacities and sustain their development, county teams and partnerships had to persist and remain focused. Initial reactions to their goals included the range from opposition and resistance to support and deep commitment. To understand the process they have been challenged by, it is necessary to look at the history of human services.

Traditionally, each agency has had a specific function with very detailed duties and a separate operating budget. As a result, there has been little or no communication among agencies and limited awareness of the work that others

do. Obviously, resources were not shared. In contrast to this tradition is the model that Smart Start has promoted; namely, bringing different groups together for more comprehensive planning, deliberately considering how resources can be shared in ways that are beneficial for all involved. At the heart of this shift is providing services that better meet the needs of children and their families.

Changing the way things are done is always challenging. To date, there is no formula for organizing to change the status of children in communities. It moves forward through trial and error, analysis, and reflection. We would be remiss if we left the impression that because counties accomplished so much, it must have been easy work to do. The work was demanding. At times, it could be disheartening. Time and again, the counties demonstrated that their cause was too important to waver. This same stance will be a sustaining factor for continued development after this grant ends.

Before turning to a discussion of the regional projects, a final note about development at the local level offers compelling evidence about the value of this component of the ARC grant program. In response to state legislative interest in the ARC grant program, Ms. Doris Huffman, Intergovernmental Liaison, presented a description of the program to the Smart Start Legislative Oversight Committee in early 1995. Following this presentation, the Committee recommended the provision of similar local mini-grants to all counties in the state that did not have Smart Start funding. Although these funds were not appropriated by the General Assembly, the recommendation itself is testament to the success of local development efforts in the ARC counties.

THE PLANNING TEAMS AND LOCAL PARTNERSHIPS ARE WORKING MODELS OF HOW THE SHIFT FROM "MY" TO "OUR" CAN BE ACCOMPLISHED

Capacity Building through Regional Projects

Throughout the program period, Doris Huffman has served as Intergovernmental Liaison for the Early Childhood Initiative. At the conclusion of the first year of local ARC grants to support individual county efforts, Mrs. Huffman surveyed the primary county contacts to determine their needs for technical support and the relative priority of those needs. Survey results made it clear that the most pressing county needs were for technical assistance in the areas of public relations, grantsmanship, and board training. With funds generously granted by the Appalachian Regional Commission, regional projects to meet these needs began operation in July 1995.

Though each had a distinctive purpose, the regional projects also shared common characteristics. All regional projects were designed to include:

- Direct Involvement
- Demonstration of Process
- Instruction in Technique
- Identification of Resources

Each of the regional projects is briefly described in the following paragraphs.

Public Awareness

The Public Awareness Campaign, directed by Broyhill Institute for Business Development at Appalachian State University, increased the capacity of local partnership organizations to tell the story of children's needs and gather public support and private resources to meet those needs. The project proceeded through a planning and design phase to the actual development of tangible public relations products that were provided to the participating counties. The products presented to the counties are identified below.

- **Slide Show with Taped Script.** The slide show is designed to raise the viewer's appreciation of the needs of young children, the primary elements of the Smart Start program, and efforts underway at the local level to address the needs of children. The slides can be presented in a 15-20 minute program.

- **Manuals on Managing a Public Awareness Campaign.** Two manuals were produced and provided to program directors. One is designed for outreach and program promotion to community leaders. The other provides guidance on mounting a public awareness campaign aimed at parents and service providers.

"The Public awareness project provided us with some much needed promotional materials. Our recognition has increased substantially and we are able to reach more people and raise more money."
-A County Program Director

- **County Brochures.** A brochure on the local partnership and the Smart Start program was designed and produced in quantity for each county that provided local information.

- **Advertising/Promotional Products.** Several promotional items were produced in quantity and distributed to the county partnerships. These included a variety of cards with parenting tips and a baby book. Each item was designed to heighten awareness of children's needs and the importance of good parenting.
- **Training Sessions for Partnership Directors.** Three training sessions were made available to partnership directors at various stages in development of the project.

In addition, the staff has been available for follow-up assistance when called upon by any local director .

Mentor Teams

Working with parents to become full participants in service programs has been a major push within the human services field in the 1990's. When the Smart Start program was enacted, parent participation on the local partnership board was not only expected, but required. In a survey conducted during the first year of the Appalachian Regional Commission grant, 81% of the counties responding wanted "leadership training for parents". Many professionals believe that only when families are involved in all levels of planning and service delivery can services truly meet the needs of children and families. Many families involved in human services programs help to identify what resources they want for their families from the agency and community. In rare situations, families have begun to influence the policy decisions of service delivery systems. One approach to accomplishing the goal of active parent participation is the development of "mentor teams" that operate within local partnership/community boards. The teams consist of one parent and one professional who have made a commitment to support each other on the board. The support they offer one another may take many forms: offering transportation, sharing information when one team member is unable to attend a meeting, or helping other parents or professionals better understand decisions that are being discussed.

Though each had a distinctive purpose, all regional projects shared common characteristics.

The Mentor Team Project included holding regional training workshops. The agenda for the day-long workshops included the following topics.

- Commonalities between parents/professionals
- Unique contributions of parents/professionals
- Development of mentor teams
- Understanding formal boards and how they work
- Resolving conflicts
- Understanding your particular board
- Setting goals for the mentor team

The project developed a model that works to support boards as they bring families in as full participants. The model has been produced in notebook form.

Grants Assistance

The Grants Assistance Project offered support services and technical assistance in the areas of grant seeking and grant writing. Information about grant opportunities was the need most frequently identified by the counties. To address this need, project staff systematically researched private foundations and corporations that operate on regional, state, and national levels. Opportunities made available through state and federal government were also studied. To identify the most likely matches for county funding needs, sources were evaluated in terms of their funding priorities, their history of giving in the region, and the size of their grants. Based on the research, listings of grant opportunities were prepared and disseminated to all 29 ARC counties. Grant announcements that matched individual programs were also sent to counties as they were identified. Program areas in which grant opportunities were identified include services for children with special needs, child abuse prevention, maternal health, child care, rural health services, and emergency medical services.

The project also distributed information about writing grant proposals, including a compilation of strategies identified through analysis of successful grant applications in the region. To further support skill development, counties were offered assistance with outlining proposals and organizing materials for funding requests. Counties were also invited to request critiques of their proposals.

Interactions with county participants included site visits. Initial visits were made to gather information about each county's goals, plans, activities, and needs for assistance. Subsequent visits were in response to requests from counties. In some instances, participants wanted to informally discuss program ideas and consider suggestions for turning their ideas into competitive grant applications. A small group of counties requested a visit to their first discussion of possible collaborative efforts. A regional presentation and several county workshops on grantsmanship were further means of interacting with county participants. Given the size of the region and the spread of the counties in it, a great deal of project activity was based on telephone contact. At the beginning of the project, counties were called for updates on their progress, to relay information about meetings and news articles, or to ask for an opinion on a particular issue. By the last quarter of the project, many conversations were initiated by county participants. They called to share an idea, make a suggestion, discuss their grant application, and offer their opinions. This shift in communication provided clear evidence of county participants' growing sense of competence and professionalism. Frequent, informal contact was a critical factor in the steady progress that teams and partnerships made.

Another component of the project was identifying resources to sustain local efforts in the service of long-term capacity building. Two types of resources were identified: sources of information and professional contacts. Periodicals, guides, directories, and sources of statistical information were reviewed; those that were useful were described in the regional newsletter or included in a resource list for counties. A list of related organizations and agencies was compiled.

Every county was given a copy of the Guide to Grant Funding, produced at the end of the project. The guide is a collection of grant listings, strategies for writing proposals, suggestions for documenting need, criteria for proposal evaluation, and information about alternative sources of funding. The guide integrates the work of the project and organizes it for ready reference.

Leadership Development

One of the areas of assistance that counties identified was leadership development. Their description of what they wanted included flexibility to choose areas of skill development, emphasis on practical application, and subjects presented by people who work in the field. The Choices for Children Program recognizes that a number of local partnership/team members are volunteers who have little, if any, prior experience as policy makers, program administrators, or nonprofit managers. The design of the program provides participants with a non-threatening participatory learning experience that encourages networking and collaboration. The program offered participants multiple opportunities to develop the range of skills needed to promote internal organizational development and generate broad-based community support for their initiatives.

"The Choices for Children program provided the practical information and hands-on experience that other leadership development training did not."

-A Course Participant

Participants chose from a range of courses. Three teaching sites were selected, making the program more accessible to all of the ARC counties. Course topics included Project Management, Conflict Resolution, and Meetings that Work. Upon completion of 25 hours of course work, participants took part in a graduation ceremony and were given an Award of Recognition.

Choices for Children is an example of a successful collaboration. The program was administered by the Mountain Resource Center at Western Carolina University in collaboration with Duke University. The Choices program accessed a number of the courses that are taught in the Duke Certificate Program in Nonprofit Management. The Duke Certificate Program is a highly regarded, integral part of the University's continuing education program. The Duke Certificate Program will recognize courses that participants took and give them credit toward the certificate.

Telecommunications

The ability to transmit and receive information electronically and to access resources that are geographically remote represents a revolutionary advance in communications capabilities. Impoverished rural areas, like most of the Appalachian region, lack both the electronic linkages and the computer equipment necessary to connect to e-mail services and Internet. Further, the cost of adequate computer equipment and the expense of long distance phone charges prevent many nonprofit human service providers from tapping into this country's growing information network.

The need for improved electronic communications has been repeatedly identified in relation to local implementations of the Smart Start initiative. Specifically, the state audit of the Smart Start partnerships suggested the need to develop a communications network among local partnerships. This network would facilitate the dissemination of information and facilitate the sharing of experiences. Given the need for electronic communications in counties that have the advantage of Smart Start funding, it is not surprising that the same need was identified as a priority in ARC counties that were not receiving state funding.

The Telecommunications Project was designed to enable every ARC county to access e-mail services and connect to the Internet. Training for the use of e-mail and the Internet was made available to all ARC counties. In most instances, the local Partnerships for Children were among the first organizations in their county to connect to the Internet. The project has made a significant difference in accessibility of information and ease of communication for all participating counties. Access to Internet makes it possible to connect with other professionals in the region, the country, and indeed, around the world.

Financial Management

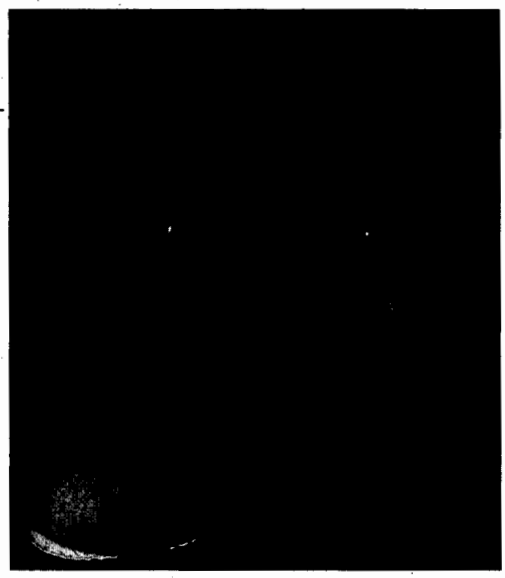
Participation in the Smart Start initiative gives local partnership boards the opportunity to plan and manage services for children and their families at the county level. At the same time, the partnerships must accept the responsibility for managing Smart Start funds. The financial management project was

designed to assist the county directors with the development of financial management tools and procedures to carry out these responsibilities in a professional manner. Related issues such as appropriate personnel and management practices and working with committees and boards were addressed. The North Carolina Partnership for Children is charged with providing financial training assistance to partnerships which receive Smart Start funds. This program was developed to provide assistance to ARC counties which are not yet receiving those funds. Because there was considerable variation in the sophistication of systems being used by the local partnerships, the project began with a thorough assessment of financial management practices in each of the eligible counties. The following tasks were accomplished through the program.

- A customized accounting and financial system was developed. This system was designed to meet the needs of partnerships as they grow in complexity and in the size of their budgets.
- A plan was developed to enable each county to make the transition from its current system to the new system.
- Accounting software packages appropriate to the needs of the partnerships were selected. Software was purchased for each eligible county and the counties were assisted with installation and training.
- A financial management and administrative procedures manual was produced for each partnership.

Follow up consulting and problem solving will be provided through the first audit cycle of each partnership.

The Financial Management project was directed by the Broyhill Institute for Business Development at Appalachian State University. Primary assistance was provided by members of the accounting faculty who are CPAs and who have extensive practical experience in accounting for nonprofits.



Collaboration and Strategic Planning for Local Boards

This project was designed to build commitment to specific long term goals and objectives in public and private community stakeholder groups. To that end, the aim was to involve as many community stakeholder groups as possible in the

strategic planning and related collaborative process. The interest was high among planning teams and partnerships to contribute to comprehensive planning, including innovative collaborations to maximize results with limited funds. State funding of the Smart Start program has demonstrated that successful program design and delivery decisions require planning and a long range vision. Collaboration has been cited in the statewide program performance audit as instrumental in developing innovative projects and improving services in the funded counties.

Planning efforts are complicated in the developing ARC counties by the limited experience of the Partnership staff and boards in the areas of goal setting, asset and resource identification, development of strategies, and overcoming structural and administrative obstacles to collaboration. While some introduction to these concepts has been gained by individuals from the counties through workshops and training, actual implementation of the concepts for their home Partnerships was limited. The strategic planning training was based on a model that is part of the Choices for Children Leadership Development Program. In this model, strategy is defined as " a pattern of purposes, policies, programs, actions, decisions, or resource allocations that define what an organization is, what it does, and why it does it". The collaboration training included reflecting on practical opportunities for and challenges to collaboration, exploring a variety of ways to initiate a collaborative process, and developing an understanding of the underlying principles of collaboration with particular attention to the need to address common concerns of diverse groups.

This project provided expert consultant teams to work with the local Partnerships or lead organizations in each county. On-site visits by these technical teams provided "coaches" to the local Partnerships as they engaged in planning and developed collaborative initiatives in response to the needs of children and their families. Participation in this project has contributed to the enhanced competitiveness of local communities. This project facilitated the refinement of strategic plans with clearly defined visions, goals, and objectives. A carefully formulated strategic plan and collaborative skill development increased counties' capacities to mobilize resources and implement effective action plans.

This project complemented other forms of training and assistance that were provided to the ARC counties. Much effort had already gone into identifying needs, assessing available resources, and building the structures or organizations to address the service delivery concerns in these communities. Creative strategic planning, which includes appropriate collaborative initiatives, supported the process of addressing these needs and building leadership capacity in these communities. The Partnership teams demonstrated their commitment to meet the

challenge of preparing our children to take full advantage of the educational system to secure better tomorrows. Strategic planning and collaboration training provided concepts and skills that will enable local teams to take advantage of emerging opportunities and maximize the use of available assets. The project was administered by the Mountain Resource Center, with contracted consultants from the faculty at Western Carolina University and the Mediation Centers in western North Carolina.

Outcomes of the Grant Program

The basic goals of the grant program were (1) to help counties in the Appalachian region of North Carolina prepare for full participation in the state's Smart Start initiative and (2) to build local capacity to better meet the needs of young children and their families. Previous sections of the report have detailed the many specific accomplishments that contributed to achievement of the basic program goals. Because projects were interrelated and designed to build on skills that had been developed, the three-year accumulation of specific accomplishments created larger effects. In this section, these outcomes will be identified and discussed. The purpose of this discussion is to convey the significance of the work that has been done.

Because projects were interrelated and designed to build on skills that had been developed, the three-year accumulation of specific accomplishments created larger effects.

Development at the local level

At the start of the grant period, most counties in western North Carolina had no organized community effort to address children's issues. Three years later, most counties have a Partnership for Children that mobilizes resources to better meet the identified needs of families. Once established, a Partnership becomes a form of infrastructure. It provides a foundation for continuing community action and advocacy on behalf of young children. Its structure supports collaborative effort. The Partnership can serve as a leveraging agent in efforts to secure funding, from both public and private sources. As an ongoing organization, the Partnership has the ability to respond flexibly to problems and opportunities.

The formation of these Partnerships for Children may also have implications for an apparent shift in federal policy; namely, a shift toward decentralizing government operations and returning more control to the local level. Many citizens see this as a positive development. To the extent that this trend continues,

the Partnerships and planning teams can assist their communities by handling some of the extra work that greater local control will entail.

Emergence of a regional identity

For a number of years, the 29 western counties of North Carolina have been identified as a region by ARC. ARC funding has helped these counties meet infrastructure and other identified needs. This has resulted in a history and tradition of working together. Prior to this ARC grant, a regional identity was not evident in the area of early childhood education.

The emergence of this regional identity is evident in a number of recent events. One is the Children's Fair held in April, 1996. Including both ARC-funded and Smart Start sites, a total of 21 ARC counties contributed to planning and hosting this fair. Counties contributed by recruiting exhibitors, arranging for entertainment, and publicizing the event. Two regional planning meetings were held prior to the fair. Children, their parents, and grandparents came to the fair. A total of approximately 3,000 people from the region attended. In addition to getting the word out about resources and services for children, the Children's Fair promoted quality early childhood education and strong families as essential to economic development in western North Carolina.



Further evidence of a regional identity can be seen in the interest counties have expressed in the possibility of preparing a regional grant application. Pursuant to this interest, counties have initiated a strategic planning process. Specifically, participating counties have identified areas of need, set preliminary goals in target areas, and generated a list of strategies for reaching these goals. This collective effort to see the needs of other counties and to determine which are best met through a regional approach marks the beginning of an advanced phase in the work the ARC counties are doing. Willing to expand their vision to see from a regional perspective, counties can assess regional needs, share resources, and build on each other's strengths.

A regional identity is a powerful tool. The emergence of this identity has been purposefully cultivated. Initial support for networking among counties was provided through regular ARC county meetings to discuss projects and regional plans. Also important was creating a directory of the primary contacts in each county. Though simple, such a listing is an essential prerequisite for inter-county communications. A regional newsletter has been another means by which coun-

ties have learned more about the work others are doing. The newsletter has also served as a common source of information. Articles, interviews, and reports reflect experiences and interests that counties share. Even its name, Western Connections, promotes the idea of a regional network. Participation in regional projects has offered counties multiple opportunities to work together and begin to see that their efforts can be complementary and supportive. Counties had frequent interactions with project directors whose work required a regional perspective. Directors promoted networking by referring counties to others working toward similar goals. They also identified regional resources, demonstrating the value of reaching beyond county lines.

Identifying with the region, counties see their work as part of a larger whole. This boosts morale and helps to insulate against the inevitable setbacks that organizations face. Connection to a regional network contributes to professional development. It greatly increases access to information about new policies, effective programs, and trends in early education. This increased access is particularly important in rural areas where isolation has long been a barrier to development. Related to information access is the value of the collaborative effort that often grows out of networking. Counties not only exchange information, they also engage in critical analysis, joint problem solving, and development of a multi-county plan of action. Engaged in these processes, the diversity of participants becomes a strength. Rather than looking at issues from one point of view, the ARC counties develop a perspective that is inclusive and wide in scope. The development of such a perspective is possible because participants have begun to see that county lines are not the only way to define the area they live in, the area of their concern. Taking into consideration all counties participating in the statewide Smart Start initiative, the beginning of a regional identity is unique to the ARC counties of western North Carolina.

Contributions to regional development

Many different types of committees, organizations, and agencies operate at the regional level in western North Carolina. Prior to the ARC grant program, early childhood issues were not typically recognized in the discussions of these groups. Through the grant program, groups have become aware of the work counties are doing on behalf of young children and their families. Further, a dialogue has been established. Groups have invited representatives of early education to join in their discussions.

It is significant for early educators and human service providers to be represented among diverse regional groups. The representation increases visibility. It draws attention to the interests and issues of the group. It also gives educators and service providers a voice. At the same time, representatives of these professionals bring to the table resources, contacts, and a perspective that focuses on families. Short-term effects notwithstanding, when the impact on families is considered, strategic efforts are more likely to succeed.

A REGIONAL IDENTITY IS A POWERFUL TOOL

Keys to Success

The three-year ARC grant program has been successful in a number of areas. In reviewing program outcomes, several common factors were identified as key to these successes.

- All grant activity was a direct response to local participants. As previously noted, the focal point for all components of the three-year program was capacity building. Program support was designed to build capacities that were identified by the counties.

- Mini-grants were managed and controlled at the local level. This gave counties the degree of autonomy needed to see the work as their own. No external motivation was needed to generate county commitment, responsibility, and pride. The very act of awarding these mini-grants conveyed a respect and esteem that immediately empowered county participants.

- Grant activity was carefully coordinated so that each individual project became part of an overall plan. Counties were linked one to another. The regional project directors collaborated during planning and implementation phases. Experiences of those counties that had Smart Start funding were reviewed. When needed, project designs were altered to make training more effective than it had been. Through coordination, competence of the program and progress from year to year created cumulative effects rather than isolated accomplishments.

- Progress through the three years was monitored at micro- and macro-levels. Monitoring was done for both assessment and evaluation purposes. Every recipient of ARC funding was accountable for the uses of that funding. Individual counties and regional projects submitted quarterly reports to the Intergovernmental Liaison. This made it possible to tag those teams or partnerships that needed additional support in order to move forward. These quarterly reports also made it possible to assess whether plans were working or adjustments needed to be made. Equally important to this program was tracking at the macro-level. Frequent informal discussions, relaying observations, comparing notes, and incorporating ideas based on the Smart Start model all contributed to the movement from a single county's activity to developments in the region as a whole.

- Consistency was provided through the Intergovernmental Liaison. County participants always knew who to call, no matter what their question or problem was. Because participants talked to the same person, they got the same answers. This consistency is particularly important when a program is new. During the three years, the Liaison became an expert on the activity in the ARC counties. Participants did not have to keep starting over, describing their history, their goals and challenges. County teams and Partnerships came to view the Liaison as their champion. Though difficult to articulate the difference this made, everyone appreciates the value of a champion. Charged with the management of program operations, the Liaison also served as defender, supporter, advocate, and mentor for the counties.

- The program promoted a commitment to long-term development in the region. All participants saw the program as contributing to ongoing development efforts. This grounded expectations and minimized frustration. No one expected to get it all done. Everyone was committed to getting as much done as possible. A long-term perspective encouraged vision as well as action. It promoted action that grew out of a strategic plan. No one suffered from the illusion of simple and quick solutions. Everyone is prepared to build on the outcomes of the program.

Overcoming Obstacles

A grant program of this size inevitably encounters difficulties as well as creates success. Two of the greatest challenges to this program were the geography of the region and the variability in levels of county organizational development from the outset. Almost every program in western North Carolina must accommodate the ruggedness of the terrain and the size of the region. Several strategies were adopted to meet this challenge. Foremost, assistance was made available on-site and in local areas. We also took advantage of telecommunications. Most recently, an electronic mail system was set up. Though travel in and around the mountains remains an issue, it is also one of the factors that unites the mountain counties and distinguishes them from other regions of the state. In this sense, the mountains and the spread of counties must also be seen as strengths.

The ARC counties entered the grant program with different histories of community work related to children's issues. They had distinct needs and access to different types of resources.

Before the grant program ended, the challenge presented by the diverse capacities of counties became an asset.

They had reached differing degrees of development in terms of readiness to plan for a local early childhood initiative. To respond appropriately to teams and partnerships that had differing capacities, the Intergovernmental Liaison and all project directors continuously worked with participants in each county to identify their particular needs and to discuss the types of assistance that would best meet those needs. During the three-year program, counties increasingly offered one another assistance, stretching the application of their skills. Before the grant program ended, the challenge presented by the diverse capacities of counties became an asset. Their diversity enriched the possibilities for counties to learn from each other's experiences. Further, because there was no single standard against which the progress of all counties was measured, everyone could take pride in their organization's accomplishments and develop confidence in an ongoing capacity to grow.

Future Directions

The impact of the ARC grant program has been positive in all participating counties. Numerous accomplishments and outcomes of wide scope characterize the results of the three-year effort. As with any major endeavor, some of the work was not completed and new areas in need of work became apparent. Shifts in direction are also necessary and appropriate responses to the increased capacities of counties. In this section, directions for ongoing work are outlined.

Creating family support systems

The dramatically increased mobility of adults and families in the last five decades has broken the extended family network that, in past generations, helped parents and supported children. Members of the extended family often provided child care and were available to help during crises. In addition to offering assistance, the family network created a sense of belonging. Despite the obvious demise of the extended family, no substitute support system has been created to take its place. At the same time, family stressors are increasing.



Families need better support systems. One of their most critical needs is affordable, quality child care. Setting quality standards for child care and insuring that standards are met is not an option; it is a responsibility. At present, the primary consideration in assessing the need for child care is the size of waiting lists for child care subsidies. Given the number of families that do not meet eligibility requirements but cannot afford the care that is available, the size of these lists undoubtedly underestimates current needs for child care.



In addition to child care, families need access to affordable health care systems. Mothers and fathers may want help with developing their skills as parents. Some may want to learn how to read. The well-being of families affects all of us. Their basic needs for support have been identified. Better support systems will help families meet their needs and cope with problems before they become crises.

Planning for systemic change

Planning for systemic change continues to be a challenge for counties. This type of planning requires the ability to evaluate a current system of service delivery, identify elements of the system that need to be changed, and formulate a plan to create those changes. It can be difficult to detect the possibilities for systemic change, particularly when operating procedures are so ingrained that they seem necessary. When the source of a problem can be identified at the systems level, it is often difficult to take the next step and determine a plan of action to effectively address the problem.

At the same time that counties are challenged by planning for systemic change, many of these agencies are already experiencing these types of change. The whole concept of service delivery is changing, beginning at the federal level. Authority is being returned to the local level. Less funding for programs is available. Welfare reform and block grants are examples of these trends. It is necessary to build capacity in the counties to manage these changes.

Examples of needed change include a shift from categorical services to integrated services. Rather than narrowly defined criteria, service delivery becomes more flexible to respond to a range of needs. This flexibility shifts the focus of a service system from treatment to prevention. These changes are systemic. Spending more money and increasing service doesn't help if the design of the service is flawed.

Promoting an understanding of child development

For much of this century, the activity of infants and young children was seen as relatively inconsequential. It was only after they reached the age of six and started school that they were expected to learn. At younger ages, all children did was play. Our understanding of children's mental capacity has changed dramatically in the last decade. Medical doctors, developmental psychologists and neurobiologists are among those who have now documented the critical importance of the first 3 years of life. A young child's brain development is directly affected by qualities of experience, particularly during periods known as "windows of opportunity". Research is rapidly expanding our knowledge of children's brain development.

This knowledge has obvious implications for parents, teachers and the general public. Building the capacity to apply that knowledge in human service systems and child care settings must be a priority. This new knowledge provides yet another basis for improving the quality of child care and granting priority status for funding to support the development of young children. Promoting the application of knowledge about children's development entails promoting the value of early education and early educators. Too many people continue to see child care providers as "babysitters" who have few skills and a limited future. Given what we are learning about children's brain development, babysitting cannot be the standard of care anymore. Creating a traveling exhibit to depict the nature of children's developing mental capacity is one means of advancing an understanding of child development.

Telecommunications

Telecommunication capacities will play an increasingly important role in the development of ARC counties in North Carolina. The time we live in has been dubbed the "Information Age". The sheer amount of information available can be overwhelming. Its accumulation is increasing at an exponential rate. As a result of the grant program, an ARCearly childhood group has been formed and is now capable of managing information related to early education and child development and networking interested professionals. There is also potential for this group to link with other regional groups that are beginning to set up

telecommuncations networks. In the immediate future, telecommunications will support and further the work in each of the future directions that has been discussed.

Limited access to the Information Highway in 1996 is similar to the impact that an inadequate road system had on the region several decades ago. Without access to the Information Highway, rural areas will be slower than urban centers in sending and receiving information. The differences in capacity that already exist when cities and rural areas are compared will grow rapidly. On the other hand, with access to the Highway, rural areas can compensate for their relative isolation and gain a competitive edge by sharing in equal access to information. The Appalachian Regional Commission recognized the prior critical need for roads and provided the support that made building the highways possible. Now a new highway, the Information Highway, is under construction. As with roads, it will be a great gift for those who can access it and a great divider for those who cannot. Expanding access to the Information Highway in western North Carolina will continue to be a priority.

Conclusion

During the course of the three-year Appalachian Regional Commission grant, counties have significantly improved the quality of life for young children and their families. More children have access to day care services and the quality of these services has been enhanced. Parents are finding programs to help them further develop the skills they need to support their children's development. More human service providers are asking parents about their needs and whether or not available programs can be improved. More community members are involved in efforts to address children's issues at the local level. More communities are aware of the critical needs of families with young children. More people in all 29 ARC counties are working to ensure that young children in this region develop their fullest potentials.

The achievements of this three-year period owe much to the generous support of the Appalachian Regional Commission. Over and over, program participants in the ARC counties have expressed their appreciation for this support. The funding that ARC provided was essential to both local development and regional advances. However, the funding in and of itself did not generate the observed degree of change. The unwavering commitment of the county teams and partnerships must also be recognized. Without this commitment, such productive uses of the grant funding would not have been possible.

Most members of county teams and partnerships volunteer their time. Through concerted effort, these groups have each established an infrastructure to manage the ongoing assessment of children's needs, the process of strategic planning, and the mobilization of community resources. The time has come for others to join the process. If efforts are to be sustained, others in the community must participate. In fact, the ongoing success of these initiatives depends on local commitment and involvement.

In a manner appropriate to each person's interests and strengths, we ask every citizen to contribute to the early childhood initiative that has been launched in your county. Support, action, leadership, and advocacy must come from within the community. These resources cannot be purchased with grant funding. Nor can they be continuously supplied by a small group of volunteers.

IF THIS SOUNDS LIKE A CALL FOR COMMUNITY INVOLVEMENT, IT IS ONE

Everyone in a community has a stake in the well-being of children and families. In 1994, Governor Jim Hunt created the Commission for a Competitive North Carolina. As an initial step in the development of a strategic plan, members of the Commission specified a number of areas deemed critical to the state's future development. Among the areas are healthy children and families and a quality education for all. Children from birth to age 5 who meet or exceed age-appropriate developmental norms are better prepared to do well in school and thus more likely to become productive citizens who strengthen the region's workforce and contribute to the economy. From birth, children build on their experience, using whatever level of skill they have acquired. A child's early experiences have long-term effects. Decisions about the priority of meeting children's needs have consequences, consequences that often last a lifetime. In its new strategic plan, the Appalachian Regional Commission has set an objective that Appalachian communities will ensure that all students arrive at school ready to learn. Clear progress toward achieving this objective has been made in the last three years. Much work remains. We look forward to future opportunities to better meet the needs of young children and their families. Young children and families in the ARC counties of North Carolina are looking forward to brighter tomorrows.



Acknowledgments

We extend our congratulations to Partnership Board Chairs, Executive Directors, and Coordinators in the 29 ARC counties.

Alexander County Partnership for Children
Margo Mosley, Chair
Marcia Wilson, Executive Director

Alleghany County Partnership for Children
George White, Chairman
Bob Bamberg, Executive Director

Ashe County Partnership for Children
Julie Landry, Chair
Holly Soderquist, Executive Director

Avery County Partnership for Children
Katy Fletcher, Chair
Kate Gavenus, Executive Director

Buncombe County Partnership for Children
Charles D. Owen, III, Chair
Leslie Anderson, Executive Director

Burke County Partnership for Children
Sam Nichols, Jr., Chair
Angela Deal, Executive Director

Caldwell County Partnership for Children
Alvin Daughridge, Chair
Pat Bost, Executive Director

Davie County
Lee Rollins, Grant Coordinator

Forsyth County Partnership for Children
Nigel Alston, Chair
Dr. Dean Clifford, Executive Director

Henderson County
Grace Poli, Grant Coordinator

Madison County
Ruby Gail Anderson, Program Coordiantor

McDowell County Partnership for Children and Families
Dr. Lloyd Cuthberson, Chair
Joy Griffith, Executive Director

Mitchell County Partnership for Children
Doug Sudduth, Chair
Sally Guerard, Executive Director

Polk County Partnership for Children
Cathy Brooks, Grant Coordinator

Region A Partnership for Children
Cherokee, Clay, Graham, Haywood, Jackson, Macon, Swain
Hugh Moon, Chair
June Smith, Executive Director

Rutherford County Partnership for Children
Mike Tanner, Chair
John Condrey, Executive Director

Stokes County Partnership for Children
Ann Watts, Chair
Gail Cruise, Executive Director

Surry County Partnership for Children
Dr. Swanson Richards, Chair
Merry Lowe, Executive Director

Transylvania County Partnership for Children
Kae Parker, Grant Coordinator

Watauga County Children's Council
David Swartz, Chair
Joan McGregor, Executive Director

Wilkes County Partnership for Children
Karen McElwee, Chair
Laura Gentry, Executive Director

Yadkin County Partnership for Children
Marty Benton, Chair
Janet Wallace, Executive Director

Yancey County Partnership for Children
Nora Lusk, Program Coordinator

Photographs courtesy Public Awareness Campaign

See attachment #6 5/27/97 pm

Attachment I

Office of Economic Opportunity Limited Purpose Agencies Funding from Community Services Block Grant					
Agency/Project Description	1997/98 Allocation	Other Funding	Percentage Funding-CSBG	Allocation Rec'd Since	Service Locale
Telamon (formerly Migrant Farm Workers)	$80,181	$ 4,451,818	1.77%	October 1981.	Statewide
Provides English as a Second Language instruction for 187 migrant and seasonal farmworkers.					
Low Income Housing Development Corp.	$98,141	$ 942,457	9.43%	October 1981.	Statewide
Assists CAA's, local governments and other human service agencies in securing funding to develop affordable housing for 170 low-income families.					
N.C. Rural Fund For Development	$233,486	$ 142,874	62.04%	October 1981.	Statewide
Provides training, technical and financial assistance to nine rural cooperatives and community credit unions to increase sales, assets, and membership.					
N.C. Senior Citizens Federation	$116,743	$ 160,349	42.13%	October 1981.	Statewide
Serves as sponsor/developer/manager for assisted living facilities and other models of long-term care for 100 low-income older adults with disabling health conditions.					
Western Economic Development Organizati	$61,579	$ 13,277	82.26%	October 1981.	Western North Carolina Counties
Assists local sheltered workshops and related agencies in securing contracts and sub-contracts enabling 89 disabled participants to earn an income.					
United Senior Services	$24,375	$ 347,765	6.55%	October 1981.	Craven, Pamlico, Jones Counties
Provides assistance to 40 low-income senior citizens experiencing emergency situations.					
N.C. Commission of Indian Affairs	$26,941	$ 4,537,339	0.59%	October 1981.	Statewide
Provides economic development training to the North Carolina Indian Business Association and the nine Indian tribes; subcontracts with the nine tribes to provide emergency food and fuel assistance, transportation, and child development activities in the Indian communities.					
Totals	$641,446	$10,595,879	5.71%		

Office of Economic Opprotunity					Attachment II
Community Action Agencies					
Funding from Community Services Block Grant					
[redacted]ncy	**County(ies) Served**	**1997/98 Allocation**	**Other Funding**	**Percentage Funding-CSBG**	**Allocation Rec'd Since**
Alamance County Community	Alamance	$135,670	$505,019	21.17%	Oct-81
Services Agency					
Provides comprehensive services leading					
to family self-sufficiency for 6 low income					
families and assists in securing standard					
housing for 53 low income families.					
Blue Ridge Community Action	Burke	$216,410	$5,549,892	3.75%	Oct-81
Provides information,referral,and follow-up	Caldwell				
services for 488 low income families to					
assure access to needed services.					
Blue Ridge Opportunity Comm.	Allegany	$199,335	$1,792,981	10.01%	Oct-81
Assist 26 low income families in securing	Ashe				
standard housing and provide financial	Wilkes				
assistance to 363 low income families who					
are experiencing crisis stituations.					
[redacted]arteret Community Action	Carteret	$299,111	$7,174,811	4.00%	Oct-81
[redacted]des financial assistance to 365 low	Pamilco				
[redacted]me families experiencing crisis stitua-	Craven				
tions;provides tuition,books,fees, and supp	Jones				
ortive services for 9 low income persons					
enrolled in certified educational programs.					
Catawba County	Catawba	$120,000	$0	100.00%	Jul-89
Assists 153 low income persons in securing					
unsubsized employment;provides 130 low					
income teenagers pregnacy prevention					
counseling and information.					
Charlotte Area Fund	Mecklenburg	$696,225	$993,143	41.21%	Oct-81
Assists 196 low income persons in securing					
full time permanent employment;provides					
income management counseling and budget					
services;and nutrition services for 1424 low					
income families.					
Choanoke Area Development	Hertford	$423,519	$4,853,958	8.02%	Oct-81
Association	Bertie				
Assists 100 low income persons in securing	Halifax				
employment;assists 113 low income	Northhampton				
[redacted]ilies in securing standard housing.					

Office of Economic Opprotunity					Attachment II
Community Action Agencies					
Funding from Community Services Block Grant					
[redacted]ncy	County(ies) Served	1997/98 Allocation	Other Funding	Percentage Funding-CSBG	Allocation Rec'd Since
Cumberland Community Action	Cumberland	$530,343	$3,569,642	12.94%	Oct-81
Program					
Provides comprehensive services for 164 low					
income families leading to self sufficiency;					
operates food bank to distribute food to					
5000 needy families.					
Davidson Community Action	Davidson	$178,597	$35,035	83.65%	Oct-81
Provides emergency assistance and informa-					
tion and referral services for 168 low income					
families to assure access to needed svcs.					
DOP Consolidated Human	Onslow	$312,146	$6,195,028	4.79%	Oct-81
Services Agency	Duplin				
Provides comprehensive services for 91					
low income families leading to self sufficiency.					
Economic Improvement Council	Camden	$306,522	$6,999,578	4.19%	Oct-81
[redacted]sists 50 low income persons in securing	Chowan				
[redacted]yment;assists 150 low income	Currituck				
[redacted]ilies in securing standard housing.	Dare				
	Gates				
	Hyde				
	Pasquotank				
	Perquimons				
	Tyrell				
	Washington				
Experiment In Self Reliance	Forsyth	$472,169	$1,423,710	25.94%	Oct-81
Provides comprehensive services for 135 low					
income families leading to self sufficiency;					
provides in-home personal care services for					
267 low income elderly and handicapped					
persons;provides information and referral					
services to assure access to needed services					
and provides emergency asssistance and					
counseling to 2796 families experiencing					
crisis situations.					
Four County Community	Bladen	$957,189	$7,797,115	10.93%	Oct-81
Services	Columbus				
Provides comprehensive services for 509	Pender				
[redacted]ncome families leading to self sufficiency	Hoke				
[redacted]	Robeson				
	Brunswick				
	Scotland				

Office of Economic Opprotunity — Attachment II

Community Action Agencies

Funding from Community Services Block Grant

Agency	County(ies) Served	1997/98 Allocation	Other Funding	Percentage Funding-CSBG	Allocation Rec'd Since
Four Square Community Action	Cherokee	$147,644	$2,592,417	5.39%	Oct-81
Provides information, referral, and follow up	Clay				
services for 608 low income families to	Graham				
assure access to needed services.	Swain				
Franklin-Vance-Warren Opport.	Franklin	$321,403	$8,764,371	3.54%	Oct-81
Assist 170 low income families in securing	Vance				
standard housing.	Warren				
	Granville				
Gaston Community Action	Gaston	$548,159	$2,658,387	17.09%	Oct-81
Provides comprehensive services to 116	Cleveland				
low income families leading to self sufficiency	Lincoln				
	Stanley				
Greene Lamp, Inc.	Greene	$202,125	$1,836,874	9.92%	Oct-81
Provides comprehensive services for 29 low	Lenior				
income families leading to self sufficiency;					
distributes salvage food items to 474 low					
income senior citizens.					
Guilford County Community Act.	Guilford	$491,979	$334,616	59.52%	Jul-86
Provides comprehensive services to 129 low					
income families leading to self sufficiency.					
I Care, Inc.	Iredell	$125,658	$1,135,120	9.96%	Oct-81
Provides comprehensive services for 72 low					
income families leading to self sufficiency.					
Johnson-Lee Community Action	Johnson	$252,580	$3,597,197	6.56%	Oct-81
Provides comprehensive services for 54 low	Lee				
income families leading to self sufficiency.					
Joint Orange-Chatham Community	Orange	$224,431	$1,120,588	16.68%	Oct-81
Action	Chatham				
Provides comprehensive services for 40 low					
income families leading to self sufficiecy;pro-					
vides information and referral services for 503					
low income families to assure access to					
needed services.					
Macon Program for Progress	Macon	$120,000	$4,206,566	2.77%	Oct-81
Provides comprehensive services for 12 low					
income families leading to self sufficiency;pro-					
vides information and referral services for 560					
low income families to assure access to					
needed services; and assist 6 low income					
families in securing standard housing.					

Office of Economic Opprotunity					Attachment II
Community Action Agencies					
Funding from Community Services Block Grant					
[redacted]ncy	County(ies) Served	1997/98 Allocation	Other Funding	Percentage Funding-CSBG	Allocation Rec'd Since
Martin County Community Action	Martin	$527,364	$3,694,744	12.49%	Oct-81
Provides comprehensive services to 120 low	Beaufort				
income families leading to self sufficiency.	Pitt				
Mountain Projects, Inc.	Haywood	$142,762	$6,453,690	2.16%	Oct-81
Provides comprehensive services for 54 low	Jackson				
income families leading to self sufficiency;pro-					
vides information and referral services for 565					
low income families to assure access to					
needed services; and assists 36 low income					
families to secure standard housing.					
Nash-Edgecombe Economic	Nash	$502,325	$9,991,815	4.78%	Oct-81
Development	Edgecombe				
Provides comprehensive services for 95 low	Wilson				
income families leading to self sufficiency.					
New Hanover County Community	New Hanover	$237,873	$1,242,125	16.07%	Jul-86
Action					
Provides comprehensive services for 46 low					
income families leading to self sufficiency.					
[redacted]**eration Breakthough, Inc.**	Durham	$410,832	$4,413,207	8.51%	Oct-81
Assists 69 low income persons in securing					
employment;assists 100 low income families					
in securing standard housing.					
Opportunity Corp. of Madison-	Madison	$334,160	$2,705,208	10.99%	Oct-81
Buncombe Counties	Buncombe				
Provides comprehensive services for 61 low					
income families leading to self sufficiency.					
Salisbury-Rowan Community					
Services Council	Rowan	$261,284	$5,914,485	4.55%	Oct-81
Assists 157 low income persons in obtaining	Carbarrus				
a secondary education which increases their					
job marketability.					
Sandhills Community Action	Anson	$304,982	$2,349,639	11.48%	Oct-81
Program	Montgomery				
Provides comprehensive services for 93 low	Moore				
income families leading to self sufficiency;	Richmond				
assists 55 low income families in securing					
standard housing.					
[redacted] **County Community Action**	Union	$120,000	$2,131,728	5.33%	Oct-81
Provides comprehensive services for 28 low					
income families leading to self sufficiency.					

Office of Economic Opprotunity					Attachment II
Community Action Agencies					
Funding from Community Services Block Grant					
[redacted]ncy	**County(ies) Served**	**1997/98 Allocation**	**Other Funding**	**Percentage Funding-CSBG**	**Allocation Rec'd Since**
Wake County Opportunities	Wake	$497,704	$4,304,270	10.36%	Oct-81
Provides comprehensive services for 70 low					
income families leading to self sufficiency.					
W.A.M.Y. Community Action	Watagua	$318,826	$708,605	31.03%	Oct-81
Provides comprehensive services for 40 low	Avery				
income families leading to self sufficiency;	Mitchell				
assists low income elderly with transportation	Yancey				
to congregate meal sites and provides garden					
ing supplies to 225 low income families;pro-					
vides micro-business loans,management,					
and marketing technical assistance to 10					
low income entrepreneurs.					
Wayne Action Group for Economic	Wayne	$215,305	$4,216,626	4.85%	Oct-81
Solvency, Inc.					
Provides comprehensive services for 47 low					
income families leading to self sufficiency.					
Western Carolina Community	Henderson	$152,193	$6,029,541	2.46%	Oct-81
[redacted]n	Transylvania				
[redacted]sts 54 low income persons in securing					
employment.					
Yadkin Valley Economic Develop-	Davie	$239,210	$5,390,252	4.24%	Oct-81
ment District	Stokes				
Provides comprehensive services for 66 low	Surry				
income families leading to self sufficiency.	Yadkin				
Totals		$11,546,035	$132,681,983	8.70%	
Note: The Board of County Commissioners					
of the following ten counties; Alexander,					
Caswell, Harnett, McDowell, Person,Polk					
Randolph,Rockingham, Rutherford, and					
Sampson, made a conscious decision not					
to have the counties participate in the					
services through the Community Services					
Block Grant.					

Appalachian Regional Grant
FFY 1996-1997 County Grants

Alexander County Administrative Office
$31,120

Grant funding allows Alexander County to employ part-time staff to coordinate the activities of the local Partnership for Children, to address community needs identified by the community. Small grants are provided to enhance the quality of and availability of licensed and registered child care. Grant funds are combined with local resources to provide for parenting education, to address children's health care needs and to promote pre-school readiness programs throughout the county.

Davie County Foundation, Inc.
$30,000

Grant funding allows the local nonprofit to address needs identified through its ongoing assessment of the community. Funding is provided for a part-time position at the Davie Campus of the Davidson County Community College. This position oversees a program designed to enhance the quality of child care in the community by providing for child care staff education and training. ARC funds are used for emergency day care scholarships and may be used to help fund a countywide needs assessment.

Community Foundation of Henderson County, Inc.
$31,070

Grant funding is used by the local nonprofit agency to employ a part-time coordinator to begin implementation of a Child Care Resource and Referral Service which will provide training for child care providers and computerize a list of child care providers. Grant funds are combined with local resources to provide for the development of a lending library and other materials for parents.

Community In Schools, Madison County, Inc.
$31,120

Grant funding contributes 28.5% toward the annual salary for the local nonprofit agency's executive director. This allows agency staff to initiate plans and coordinate local resources to implement a system of family literacy and parenting support in the

county. Long-range plans include family support centers which will be located in existing day-care facilities in two of the county's three towns.

Mitchell County Partnership for Children
$31,120

ARC funding allows the Mitchell County Partnership for Children to employ a part-time executive director and part-time support person and pay operating expenses for the purpose of developing a community-wide plan for early childhood development in Mitchell County. An integral part of the project will be a plan for implementation that will include researching funding sources, coordinating collaborative efforts to develop a time-line for reaching countywide goals and objectives, and submitting funding proposals to local, state, and national foundations as appropriate.

Polk County Local Government
$36,120

ARC funding is combined with other local resources by Polk County Government, Department of Social Services to provide a Community Child Protection Team to serve families of newborn children. The team is composed of a social worker and a public health nurse. The team assists new parents in accessing health care, parent support programs, child care resources, and other available services. The program also provides educational materials on the prevention of child abuse and neglect. All new parents in the county are notified of the service. Upon request of the parents, the team will visit every child born in Polk County within three weeks after birth. Follow-up visits are made as appropriate.

Transylvania County Citizens Concerned for Children, Inc.
$31,120

Grant funding combines with local resources to allow the local nonprofit agency to provide services for children and address needs identified through its ongoing assessment of the community. Grant funds provide for a part-time facilitator to coordinate collaborative activities and a part-time assistant to oversee projects. The grant funds parent/teacher training sessions and provides small Quality Improvement Incentive Grants to local care providers.

Children's Council of Watauga County, Inc.
$36,120

Funding is combined with local funds to pay the salary of a full-time executive director and to pay a percentage of operating expenses for the local nonprofit agency. This enables the agency to continue developing its capacity to meet the objectives and expectations of the Smart Start initiative by providing resources and services to the families of young children. The director is responsible for developing additional funding sources.

Yadkin County Smart Start Partnership, Inc.
$35,120

Grant funds allow the Partnership to employ a part-time director and pay operating expenses. They provide for the development of new projects targeting preschoolers and their families and educating the community about early childhood issues. Three standing task forces of community volunteers focus on Child Care, Literacy and Healthy Start for children. These committees identify areas of need and marshal resources to address those needs. Funds include a special grant of $4,000 for the implementation of a countywide literacy project in collaboration with the public library system.

Yancey County Manager's Office
$31,120

Funding allows the county to continue to develop a community-based Partnership for Children and to identify community needs through its on-going assessment. It provides a part-time coordinator and a part-time assistant/parent counselor to manage the tasks necessary to organize the Partnership board and progress to 501(c)3 status. Grant funds along with local resources are being used to support Child Care Resource and Referral Services, to expand the Family Resource Center, to provide parenting classes and to strengthen community awareness of issues affecting children and local resources available to young children and their families.

Subcontracts to Universities for Services to ARC Counties

Western Carolina University
Mountain Resource Center
Choices for Children Leadership Development Project
$35,000

This project is a collaborative arrangement with the Duke University Certificate Program in Nonprofit Management to provide leadership training to all volunteer members of the Partnership organization board as well as organization staff. All partnerships in the region are eligible to participate in the Duke courses.

Western Carolina University
Mountain Resource Center
Early Educators and Business Leaders: A Partnership in the Making
$90,000

This project continues to provide comprehensive support for all local ARC county Partnerships and local organizations involved in early childhood issues. In addition to grant writing assistance, technical assistance and support is provided the local groups in developing long-term strategies in resource development, with particular focus on enlisting the local business communities in support of early childhood needs. Project staff are available to travel to each county as requested and work with the entire board of the agency and continually provide updated materials and information on resource development.

Western Carolina University
Mountain Resource Center
Strategic Planning and Collaboration Training
$90,000 (FFY 95-96 grant funds that were carried forward to FFY 96-97)

This project provides comprehensive training in strategic planning and collaboration to local partnership boards and staff and county organizations involved in early childhood initiatives. Project staff provide workshops and training at convenient sites and travel upon request to counties to assist the local partnership board in planning. Assistance is provided until the completion of a county strategic plan. Assistance has been provided upon request to counties interested in forming multi-county partnerships.

Appalachian Regional Commission Grant
FFY 1996-1997 County Grants

	FFY 96-97 Budget
Division Management & Overhead	
Salaries and Fringes	$41,675
Other administrative costs	13,820
Total Division Mgt. & Overhead	55,495
Contracted Services: 10/1/96-9/30/97	
Alexander County Administrative Office	31,120
Davie County Foundation	30,000
Community Foundation of Henderson	31,070
Communities in Schools, Madison Co.	31,120
Mitchell County Partnership for Children	31,120
Polk County Local Government	36,120
Transylvania County Citizens Concerned for Children, Inc. Coordinated	31,120
Children's Council of Watauga County, Inc.	36,120
[illegible]lkin County Smart Start Partnership, Inc.	35,120
[illegible]ancey County Manager's Office	31,120
Western Carolina Univ. Choices for Children	35,000
Western Carolina Univ.-Early Educ. and Business Leaders: A Partnership in the Making	90,000
Communications Network (Internet Costs)	5,880
Total Contracted Services	**$454,910**
Additional Available Funds*	$39,595
Total Grant Funds**	**$550,000**

*An additional $39,595 is currently being allocated to existing contractors.

**In addition to these funds, $90,000 was carried forward from FY 95-96 to FY 96-97 for a contract with Western Carolina University for strategic planning and collaboration.

VISITOR REGISTRATION SHEET

Human Resources Appropriations May 27 1997 p.m.

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

	NAME	FIRM OR AGENCY
1.	[illegible]	U.A.B
2.	Harvey Ransone	DSS
3.	Chuck Harris	DSS
4.	Steve Johnson	DMH/DD/SAS
5.	Lawn Wilk	DHR/OEO
6.	Greg Richardson	DOA/Indian Affairs
7.	[illegible]	DMHDDSAS
8.	[illegible]	" "
9.	AL DITCH	VA/DOA
10.	[illegible]	MHA/NC C200(
11.	Doris Huffman	DHR
22.	Will Lindsay	DHR/Budget + Analysis
23.	[illegible]	DHR
24.	[illegible]	DHR
25.	[illegible]	DHR
26.	[illegible]	OSBM
27.	John Baggett	MH/DD/SAS
28.	[illegible]	MHDDSAS
29.	[illegible]	DMH
30.	Angie McMillan	DHR
31.	Kevin FitzGerald	DHR-DSS

VISITOR REGISTRATION SHEET

Human Resources Appropriations May 22, 1997 P. M.

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY
1. Roz Smith	NC Child Care Coalition
2. Patricia A. Yancey	APPCNC / SCSL
3. Jackie Sheppard	DHR/DFS
4. Douglas Blum	Covenant with NC's Children/United Way of NC
5. Lou Wilson	NCALTCF.
6. Stephanie Jarrett	DHR-DCD
7. [illegible]	DHR DCD
8. Steve Shaber	Dan Price Hall Gray Jones
9. NELS ROSELAND	OSBM
10. Byron K. Haris	OSBM
11. Wayne Williamson	OSBM
22. Bobby Woodard	ST. Budget
23. Cynthia Porter	DMH. DD. SAS
24. Ken Stein	DMH/DD/SAS
25. Marleen Scott Robbins	DMH/DD/SAS
26. Bonnie Cramer	DHR - Aging
27. Ken Cron	DSDHA - DHR
28. Joyce Johnson	DHR - Controller's Office
29. C. L. Cochran	UCPNC - Coalition 2001
30. Megan Lynch	Easter Seals - Coalition 2001
31. [illegible]	NCAHF - C-2001

VISITOR REGISTRATION SHEET

HUMAN RESOURCES APPROPRIATIONS MAY 27, 1997 P.M.

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY
1.	
2.	PPNC
3.	N.C. Assisted Living
4.	Carolinas HealthCare System
5.	" "
6.	DHR - DSS
7.	NCHA
8.	DHR/DYS
9. Candice Wooten	DYS Intern
10.	NC Council of CMH/DD/SA
11.	Meck. Co.
22.	NCHAC
23.	NCJCDC
24.	NC Equity
25.	NASW-NC
26.	NCAHC
27.	DVRS
28.	DSR
29. Lynda McDaniel	DHR/DFS
30.	DFS/DHR
31. Jim Upchurch	DFS/DHR

5/27/97
pm

CODE NO. 97DHR-H084

Requested by: Representatives Gardner, Cansler, Clary

FORENSIC TREATMENT PROGRAM

Sec. @. The Commission for Mental Health, Developmental Disabilities, and Substance Abuse Services shall adopt temporary rules, in accordance with Chapter 150B of the General Statutes, to implement the forensic treatment program at Dorothea Dix Hospital. Notwithstanding the provisions of Chapter 122C of the General Statutes pertaining to seclusion, the rules shall include, for the purpose of protecting the health, safety, and welfare of patients, employees, and the general public, provisions for locking the rooms of patients in the forensic treatment program during rest times, including normal sleeping hours.

Gardner/accepted

5/27/97
9:09

CODE NO. 97DHR-H083A

Requested by: Representative Gardner

PILOT PROGRAM TO CONSOLIDATE SERVICES FOR SENIORS

Sec. @. (a) The purpose of this section is to determine the feasibility and desirability of providing services to senior citizens at the local level through a single local government entity, with the aim of avoiding duplication of effort and resources, streamlining service delivery, and ensuring that the needs of older adults are efficiently and equitably matched to community social and health services. To this end, notwithstanding any other provision of State law to the contrary, and to the extent not prohibited by federal law, the Rowan County Senior Services Department shall be the single portal of entry for all services to senior citizens in Rowan County, except for adult protective services. The Division of Aging and the Division of Social Services, Department of Human Resources, shall provide the assistance necessary, including assistance in the allocation or distribution of funds appropriated for services to older adults, to carry out the purposes of this section.

(b) The Department of Human Resources shall provide a status report to the members of the House and Senate Appropriations Committees on Human Resources not later than May 15, 1998 on the consolidation of services authorized under subsection (a) of this section. Not later than February 1, 1999, the Department shall make its final report to the 1999 General Assembly, and to the House and Senate Appropriations Committees on Human Resources and the Fiscal Research Division.

(c) This section expires June 30, 1999.

Gardner/accepted

1997

HOUSE APPROPRIATIONS – HUMAN RESOURCES

MINUTES

APPROPRIATIONS SUBCOMMITTEE ON HUMAN RESOURCES

MINUTES
May 28, 1997
8:30 a.m.

The Appropriations Subcommittee on Human Resource met on May 28, 1997 at 8:30 a.m. in Room 424. Representative Charlotte Gardner presided and the following members were present:

Representative Gardner	Representative Nye
Representative Adams	Representative Cansler
Representative Watson	Representative Clary
Representative Hurley	Representative Aldridge
Representative Alexander, ex.	

Representative Gardner asked that the provision the committee approved yesterday for a Pilot Program for Rowan County be rescinded. Representative Hurley moved that we not accept the provision that made a Rowan County a pilot program with the Aging and Social Services funding stream and it passed.

The following three Special Provisions, **MEDICAID GROWTH REDUCTION, ADULT CARE HOME BED VACANCIES AND EFFICIENCY STUDY OF STATE PSYCHIATRIC HOSPITALS,** (See Attachment #1) were accepted by the Committee at a previous meeting. Representative Cansler presented some modifications to these provisions that he recommends:

1. **MEDICAID GROWTH REDUCTION** - The clarifying language defends the integrity of the program by offering some guidelines for provider reimbursement rates to prevent lowering quality or licensing risk to the facilities. This change is in paragraph (c). ADOPTED
2. **ADULT CARE HOME BED VACANCIES** - Section 2 added to provide that if an organization has purchased or entered into a binding contract by May 18, 1997 they may proceed with plans and obtain a license. ADOPTED.
3. **EFFICIENCY STUDY OF STATE PSYCHIATRIC HOSPITAL** - Added language that consultant must have understanding of special operational issues related to psychiatric hospitals and if they make recommendations regarding renovations, replacement or new construction they provide costing information explaining the cost efficiencies. They should look at all revenue sources the psychiatric hospitals have available to them to determine what impact would occur due to their recommendations. ADOPTED.

See Attachment #1 for the following Special Provisions:

4. **CHILD WELFARE SYSTEM IMPROVEMENTS** - Karen Hammonds-Blanks presented the provision and told the committee it implements 2 expansion items it approved yesterday. ADOPTED.
5. **ADOLESCENT PARENTING PROGRAM** - Rep. Aldridge explained that the purpose of the provision is to direct the management of the funding for this program. DEFEATED.
6. **IN-HOME SPECIAL ASSISTANCE DEMONSTRATION PROJECT** - On page 11, subsection e, lines 17-24 Department language that allows up to the average monthly payment for state assistance plan rather than a straight appropriation. The prohibition from receiving personal care assistance from Medicaid has been removed. It limits the scope of the program to people who would be eligible for Medicaid regardless of whether they receive state-county special assistance. The questions the members had yesterday, and the concerns the Department had have been resolved, according to Carol Shaw of Fiscal staff. Representative Adams moved its adoption. ADOPTED.

Representative Clary asked Representative Wilson to explain the Special Provision entitled, **STATE MEDICAL FACILITIES PLAN/RULES** (See Attachment #2). She said that the provision clarifies that the State Medical Facilities Plan be adopted as a rule to end confusion on that point. Karen Cochrane-Brown, Staff Attorney, answered questions on the measure. Representative Adams moved adoption. ADOPTED.

Representative Berry and Representative Howard presented **WELFARE REFORM INITIATIVES AND CONFORMING CHANGES** (See Attachment #3) as a Special Provision. After discussion of the nature of the proposed plan, Representative Clary moved its adoption. ADOPTED.

The meeting was adjourned.

Barbara R. Hocutt
Barbara R. Hocutt, Committee Clerk

Charlotte A. Gardner
Representative Charlotte A. Gardner,
Co-Chairman

CAG:brh
Attachments

5/28/97 a.m.
attachment #3

CODE NO. 97DHR-H080

Requested by: Representatives Berry, Howard

PART XI-A. WELFARE REFORM INITIATIVES AND CONFORMING CHANGES
SUBPART A. WELFARE REFORM INITIATIVES

Section 11A.1. The title of Part 2 of Article 2 of Chapter 108A of the General Statutes reads as rewritten:

"Part 2. ~~Aid to Families with Dependent Children.~~ Work First Program."

Section 11A.2. G.S. 108A-24 reads as rewritten:

"**§ 108A-24. Definitions.**

As used in Chapter 108A:

(1) 'Applicant' is any person who requests assistance or on whose behalf assistance is requested.

(1a) 'Attainment' means to equal or exceed the outcomes and goals set forth in a County Plan or the State Plan.

(1b) 'Biometric' means a digitized image of selected features of an individual encoded and processed in a manner that ensures an extraordinarily high correlation between the digital data and the actual characteristics of an individual.

(1c) 'Child Development Agreement' ('CDA') means an agreement between a county and a recipient of Work First Program assistance which describes the parental responsibilities and child development goals required to maintain eligibility for qualification for Work First Family Assistance and Work First Services, and what the county will provide to assist the recipient in achieving those child development goals.

(1d) 'Community service' means work exchanged for temporary public assistance.

(1e) 'County block grant' means nonreverting federal and State money appropriated to implement and maintain a county's Work First Program.

(1f) 'County department of social services' means a county department of social services, consolidated human services agency, or other local agency designated to administer or provide services pursuant to this Article.

(1g) 'County Plan' is the biennial Work First Program plan prepared by each county pursuant to this Article and submitted to the Department for incorporation into the State Plan.

(2) 'Department' is the Department of Human Resources, unless the context clearly indicates otherwise.

~~(3) 'Dependent child' is a person under 18 years of age who is living with a natural parent, adoptive parent, stepparent, or any other~~

Clary/adopted

~~person related by blood, marriage, or legal adoption, in a place of residence maintained by one or more of such persons as his or their own home, and who is deprived of parental support or care; it shall also include a minor who has been eligible for AFDC who is now living in a foster care facility or child caring institution; it shall also include a dependent child in school under 21 years of age as provided by Titles IV-A and XIX of the Social Security Act.~~

(3a) 'Employment' means work that requires either a contribution to FICA or the filing of a State N.C. Form D-400, or the equivalent.

(3b) 'Family' means a unit consisting of a minor child or children and one or more of their biological parents, adoptive parents, or grandparents living together and in which one or more of the parents is employed or performing community service.

(3c) 'Federal TANF funds' means the Temporary Assistance for Needy Families block grant funds provided for in Title IV-A of the Social Security Act.

(3d) 'First Stop Employment Assistance' is the program established to assist recipients of Work First Program assistance or food stamps with employment through job registration, job search, job preparedness, and community service.

(3e) 'Full-time employment' means employment averaging over 30 hours a week for at least 50 consecutive weeks and which either requires a contribution to FICA for four consecutive quarters or the filing of a State N.C. Form D-400.

(3f) 'FICA' means the taxes imposed by the Federal Insurance Contribution Act, 26 U.S.C. § 3101, et seq.

(4) Repealed by Session Laws 1983, c. 14, s. 3.

(4a) 'Mutual Responsibility Agreement' ('MRA') is an agreement between a county and a recipient of Work First Program assistance which describes the conditions for eligibility for the assistance and what the county will provide to assist the recipient in moving from assistance to self-sufficiency. Improvement in literacy shall be a part of a MRA with persons who cannot read above the eighth grade level. A MRA is a prerequisite for any temporary Work First Program assistance under this Article.

(4b) 'Parent' means biological parent, adoptive parent, or grandparent.

(5) 'Recipient' is a person to whom, or on whose behalf, assistance is granted under this Article.

(6) 'Resident,' unless otherwise defined by federal regulation, is a person who is living in North Carolina at the time of application with the intent to remain permanently or for an indefinite period; or who is a person who enters North Carolina seeking employment or with a job commitment.

(7) 'Secretary' is the Secretary of Human Resources, unless the context clearly indicates otherwise.

(8) 'State Plan' is the biennial Work First Program plan, based upon the aggregate of the County Plans, prepared by the Department for the State's Work First Program pursuant to this Article, and submitted sequentially to the Budget Director, to the General Assembly, to the Governor, and to the appropriate federal officials.

(9) 'Temporary' is a time period, not to exceed 60 cumulative months, which meets the federal requirement of Title IV-A.

(10) 'Title IV-A' means the Social Security Act, 42 U.S.C. § 601, et seq., as amended by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, P.L. 104-193, and to other provisions of federal law as may apply to assistance provided in this Article.

(11) 'Underemployment' means anything less than full-time employment except unemployment.

(12) 'Unemployment' means no FICA contributions for four consecutive quarters or earnings less than those required for filing a State N.C. Form D-400.

(13) 'Work' is lawful activity exchanged for cash, goods, uses, or services.

(14) 'Work First Diversion Assistance' is a short-term cash payment that is intended to produce a substantial reduction in the likelihood of a family requiring Work First Family Assistance.

(15) 'Work First Family Assistance' is a program of time-limited periodic payments to assist in maintaining the children of eligible families while the adult family members engage in activities to prepare for entering and to enter the workplace.

(16) 'Work First Program' is the temporary assistance to needy families program established in this Article.

(17) 'Work First Program assistance' means the goods, uses, or services provided under the Work First Program.

(18) 'Work First Services' are services funded from appropriations made pursuant to this Article and designed to facilitate the purposes of the Work First Program."

Section 11A.3. G.S. 108A-25 reads as rewritten:

"§ 108A-25. Creation of programs.

(a) The following programs of public assistance are hereby established, and shall be administered by the county department of social services or board of commissioners or the Department of Human Resources under federal regulations or under rules ~~and regulations~~ adopted by ~~the Social Services Commission~~ and under the supervision of the Department of Human Resources:

(1) ~~Aid to families with dependent children;~~ Work First Program;

(2) State-county special assistance for adults;

(3) Food stamp program;
(4) Foster care and adoption assistance payments;
(5) Low income energy assistance program.

(b) The program of medical assistance is hereby established as a program of public assistance and shall be administered by the county departments of social services under rules and regulations adopted by the Department of Human Resources.

(c) The Department of Human Resources ~~is hereby authorized to~~ shall accept all grants-in-aid for programs of public assistance which may be available to the State by the federal government. The provisions of this Article shall be liberally construed in order that the State and its citizens may benefit fully from ~~such~~ the federal grants-in-aid."

Section 11A.4. G.S. 108A-27 reads as rewritten:

"**§ 108A-27. Authorization of ~~Aid to Families with Dependent Children Program.~~ Work First Program.**

~~The~~ (a) Each county ~~Department is authorized to~~ shall ~~establish and supervise an Aid to Families with Dependent Children Program.~~ develop, implement, and administer a biennial County Plan that begins to reduce unemployment and underemployment in that county. This ~~program is to~~ County Plan shall be ~~administered by county departments of social services under federal regulations and rules and regulations of the Social Services Commission.~~ in accordance with:

(1) This Article;
(2) Applicable federal, State, and local laws; and
(3) Rules adopted pursuant to this Article by the Department.

(b) The Department shall adopt rules regarding the biennial County Plans that shall be the most flexible and least restrictive while ensuring that federal and State laws, regulations, and goals for the State are met or achieved.

(c) The Department shall establish, administer, and supervise the Work First Program in accordance with:

(1) This Article;
(2) The State Plan;
(3) Rules adopted pursuant to this Article by the Department; and
(4) Applicable federal and State laws."

Section 11A.5. Part 2 of Article 2 of Chapter 108A of the General Statutes is amended by adding the following new sections:

"**§ 108A-27.1. Assistance not an entitlement.**

Any assistance programs established under this Part are not entitlements, and nothing in this Part shall create any property right.

"**§ 108A-27.2. Purpose; program description.**

(a) The purpose of the Work First Program is to provide eligible families with short-term assistance to facilitate their movement to self-sufficiency through lawful employment.

(b) The Work First Program shall include program administration and four categories of assistance to participants:

(1) First Stop Employment Assistance;
(2) Work First Diversion Assistance;
(3) Work First Family Assistance; and
(4) Work First Services.

(c) A case in which benefits are paid only for a child may be considered a family for the Work First Program.

"§ 108A-27.3. Duties of county boards of commissioners.

(a) The duties of the county boards of commissioners under the Work First Program are as follows:

(1) Establish county outcome and performance goals based on county economic, educational, and employment factors and adopt criteria for determining the progress of the county in moving persons and families to self-sufficiency.
(2) Establish eligibility criteria for recipients.
(3) Prescribe the method of calculating benefits for recipients.
(4) Determine and list individuals and families eligible for the Work First Program.
(5) Develop and enter into Mutual Responsibility Agreements with Work First Program recipients.
(6) Develop and enter into Child Development Agreements with every eligible parent who has a MRA.
(7) Provide community service work for any recipient who cannot find employment.
(8) Make payments of Work First Diversion Assistance and Work First Family Assistance to recipients having MRAs and CDAs.
(9) Monitor compliance with Mutual Responsibility Agreements and enforce the agreement provisions.
(10) Monitor compliance with Child Development Agreements and enforce the agreement provisions.
(11) Ensure compliance with State and federal law, rules, and regulations for the Work First Program.
(12) Adopt and submit to the Department a biennial County Plan.

(b) County boards of commissioners shall not delegate the responsibilities described in subdivisions (a)(1), (a)(11), and (a)(12) of this section but may delegate other duties to public or private entities.

"§ 108A-27.4. Duties of the Department.

The Department shall have the following duties:

(1) Establish and maintain a uniform system of identifying Work First Program, food stamp, and Medicaid recipients. This system shall provide security and portability throughout the State and between the departments within the State involved in the Work First Program, the food stamp program, and the Medicaid program. The system shall use multiple biometrics to ensure greater than ninety-nine percent (99%) accuracy for interdepartmental

identification. The Department shall ensure that the biometric identification system will be able to interface with any existing departmental biometric identification system.

(2) Provide technical assistance to counties developing and implementing their County Plans, including providing information concerning applicable federal law and regulations and changes to federal law and regulations that effect the permissible use of federal funds and scope of the Work First Program in a county.

(3) Adopt necessary rules, terms of funding, and promulgate criteria that allows counties maximum flexibility in designing and implementing County Plans.

(4) Ensure that County Plans comply with federal and State laws, rules, and regulations.

(5) Establish schedules for counties to submit their County Plans to ensure that all County Plans are adopted by the counties by the first day of February of each even-numbered calendar year.

(6) Accept County Plans after ensuring that the aggregate of the County Plans is in compliance with federal law and regulations for receipt of federal funds and maximizes federal receipts for the Work First Program.

(7) Coordinate activities of other State agencies providing technical support to counties developing their County Plans.

(8) At the request of the counties, provide assistance to counties in their activities with private sector individuals and organizations relative to County Plans.

(9) Pay counties, on the first day of the quarter, one-fourth of the counties' annual block grant funds. Once paid, these funds shall be nonreverting.

(10) Provide for exceptions to criteria and standards for federal programs.

(11) Describe authorized federal and State work activities.

(12) Define requirements for assignment of child support income and compliance with child support enforcement activities.

(13) Monitor the performance of counties on a quarterly basis relative to their County Plans and report quarterly to the Director of the Budget and to the Joint Legislative Public Assistance Commission and annually to the General Assembly on the counties' attainment of the outcomes and goals specified in Part II of each County Plan.

(14) Prepare and submit, by April 1 of each even-numbered calendar year, a biennial State Plan to the Director of the Budget in accordance with federal laws and regulations and State laws and rules.

(15) Establish the baseline for the State maintenance of effort.

"**§ 108A-27.5. County Plan.**

(a) Each county shall submit to the Department, according to the schedule established by the Department and in compliance with all federal and State laws, rules and regulations, a County Plan.

(b) A County Plan shall have the following five parts:

(1) Part I. Conditions Within the County;

(2) Part II. Outcomes and Goals for the County;

(3) Part III. Plans to Achieve the Outcomes and Goals;

(4) Part IV. Administration; and

(5) Part V. Funding Requirements.

(c) Funding requirements shall, at least, identify the amount of a county block grant for Work First Diversion Assistance, a county block grant for Work First Family Assistance, a county block grant for Work First Services, and the county's maintenance of effort contribution. A county may establish a reserve.

(d) Each county shall include in its County Plan the following:

(1) The number of MRAs and CDAs entered into by the county;

(2) A description of the county's priorities for serving families who need child care based on the needs of the community and the availability of services and funding;

(3) A list of the community service programs equivalent to full-time employment that are being offered to Work First Program recipients who are unable to find full-time employment; and

(4) Any request from the Department for waivers to rules or any proposals for statutory changes to remove any impediments to implementation of the County's Plan.

(e) Each county shall provide to the general public an opportunity to review and comment upon its County Plan prior to its submission to the Department.

(f) A county may modify its County Plan once each biennium but not at any other time except by special request to the Joint Legislative Public Assistance Commission.

"§ 108A-27.6. Performance standards; corrective action.

(a) All adult recipients of Work First Program assistance are expected to achieve full-time employment and at least eighth grade literacy. Adult recipients of Work First Program assistance shall comply with the provisions and requirements in their MRAs and CDAs. Failure to comply shall be cause to terminate Work First Program assistance.

(b) County performance shall be judged solely upon its ability to attain the outcomes and goals established in that county's County Plan.

(c) When a county fails to achieve its Work First Program goals, the Department may take one or more of the following actions to assist the county in meeting its goals:

(1) Notify the county of the deficiencies and add additional monitoring and reporting requirements.

(2) Require the county to develop and submit for approval by the Department a corrective action plan.

If a county fails to achieve its Work First Program goals for two consecutive years, or fails to comply with a corrective action plan developed pursuant to this section, the county shall lose an appropriate portion of the State's block grant to the county in the subsequent State Plan.

"§ 108A-27.7. State Plan.

(a) The Department shall prepare and submit to the Director of the Budget, in accordance with the procedures established in G.S. 143-16.1 for federal block grant funds, a biennial State Plan that proposes the terms of the Work First Program for each fiscal year. The State Plan shall be based upon the aggregate of the County Plans. The State Plan shall include the following:

(1) Allocations of federal and State funds for the Work First Program, including block grants to counties and the allocation of funding for administration not to exceed the federally established limitations on the use of federal TANF funds and the limits imposed under this Article;

(2) Maintenance of effort and levels of State and county funding for the Work First Program;

(3) Federal eligibility requirements and a description of the eligibility requirements in each county;

(4) A description of eligible federal and State work activities;

(5) A description of the federal, State, and each county's financial participation in the Work First Program;

(6) Provisions to ensure that no Work First Program recipients, required to participate in work activities, shall be employed or assigned when:

a. Any regular employee is on layoff from the same or substantially equivalent job;

b. An employer terminates any regular employee or otherwise causes an involuntary reduction in the employer's workforce in order to hire Work First recipients; or

c. An employer otherwise causes the displacement of any currently employed worker or positions, including partial displacements such as reductions in hours of nonovertime work, wages, or employment benefits, in order to hire Work First recipients;

(7) Provisions to ensure the establishment and maintenance of grievance procedures to resolve complaints by regular employees who allege that the employment or assignment of a Work First Program recipient is in violation of subdivision (6) of this section;

(8) Provisions to ensure that Work First Program participants, required to participate in work activities, shall be subject to and have the same rights under federal, State, or local laws applicable to non-Work First Program employees in similarly situated work activities, including, but not limited to, health and safety standards and

nondiscrimination laws, provided that nothing in this subdivision shall be construed to prohibit Work First Program participants from receiving State or county services designed to assist Work First Program participants achieve job stability and self-sufficiency;

(9) Requirements for assignment of child support income and compliance with child support enforcement activities; and

(10) Anything else required by federal or State law, rule, or regulation to be included in the State Plan.

(b) The State Plan may provide for automatic Medicaid eligibility for Work First Program recipients.

(c) The State Plan may distinguish among potential groups of recipients on whatever basis necessary to enhance program purposes and to increase federal revenues.

(d) The Department may modify the State Plan once a biennium but at no other time except by special request to the Joint Legislative Public Assistance Commission. Any changes to the State Plan shall be reported to the General Assembly during the next session following the changes.

"§ 108A-27.8. Duties of the Director of the Budget/Governor.

(a) The Director of the Budget shall, by April 15 of each even-numbered calendar year, approve and recommend adoption by the General Assembly of the State Plan.

(b) At the beginning of every fiscal year, the Director of the Budget shall report to the General Assembly the number of permanent State employees who have been Work First Program recipients during the previous calendar year.

(c) After the State Plan has become law, the Governor shall sign it and cause it to be submitted to federal officials in accordance with federal law.

"§ 108A-27.9. Maintenance of effort.

(a) The Department shall maintain the State's maintenance of effort at one hundred percent (100%). A county's maintenance of effort shall be no less than eighty percent (80%).

(b) The Department shall provide to counties a list of activities that qualify for maintenance of effort requirements.

"§ 108A-27.10. Exemption from limitations for individuals convicted of certain drug-related felonies.

Individuals convicted of Class H or I controlled substance felony offenses in this State shall be eligible to participate in the Work First Program and food stamp program:

(1) Six months after release from custody if no additional controlled substance felony offense is committed during that period and successful completion of a required substance abuse treatment program determined appropriate by the area mental health authority; or

(2) If not in custody, six months after the date of conviction if no additional controlled substance felony offense is committed during that period and successful completion of a required substance

abuse treatment program determined appropriate by the area mental health authority.

A county department of social services shall require individuals who are eligible for Work First Program assistance and food stamp benefits pursuant to this section to undergo substance abuse treatment as a condition for receiving Work First Program or food stamp benefits, if funds and programs are available.

"§ 108A-27.11. Appeals.

The Work First Program is a program of temporary public assistance for the purpose of an appeal under G.S. 108A-79."

Section 11A.6. (a) G.S. 108A-29 reads as rewritten:

"**§ 108A-29. ~~Limitations on eligibility.~~ First Stop Employment Assistance; priority for employment services.**

~~(a) The Social Services Commission shall adopt such administrative rules concerning work requirements as conditions of eligibility for Aid to Families with Dependent Children in order to be in compliance with federal regulations, but such rules shall not be more restrictive than the work requirements applicable to the Job Opportunities and Basic Skills Training Program provided for in G.S. 108A-30.~~

(a1) There is established in the Employment Security Commission, Department of Commerce, a program to be called First Stop Employment Assistance. The Chairman of the Employment Security Commission shall administer the program with the participation and cooperation of county boards of commissioners, the Department of Human Resources, the Department of Labor, the Department of Crime Control and Public Safety, and the community college system.

(a2) Individuals seeking to apply or reapply for Work First Program assistance or food stamps who are unemployed or underemployed shall make their 'first stop' in the application process for assistance the Employment Security Commission, where they shall register for a job, unless exempt either temporarily or permanently from participating in a work program by federal or State law, rules, or regulations.

(a3) Individuals who are not otherwise exempt shall present verification of registration with the Employment Security Commission at the time of applying for public assistance. Unless exempt, the individual shall not be approved for Work First Program assistance or food stamps until verification is received. Child-only cases are exempt from this requirement.

(a4) The Employment Security Commission shall expand its Labor Market Information System. The expansion shall at least include: statistical information on unemployment rates and other labor trends by county; and publications dealing with licensing requirements, economic development, and career projections, and information technology systems which can be used to track participants through the employment and training process.

(a5) The First Stop Employment Program shall assist Work First Program and food stamp recipients with employment through job registration, job search, job preparedness, and community service.

(a6) The Employment Security Commission shall offer a continuum of services to individuals seeking employment and training assistance ranging from self-help options

to labor-intensive case management approaches. The Employment Security Commission shall provide an intense program of employment or reemployment services such as job seeking skills, workshops, employment counseling, and testing to move individuals into the workforce as quickly as possible.

(a7) If after evaluation of an individual the Employment Security Commission believes it necessary, the Employment Security Commission also may refer an individual placed in the Job Preparedness component of the First Stop Employment Program to a local community college for enrollment in General Education Development, Adult Basic Education, or Human Resources Development programs which are already in existence. Additionally, the Commission may refer an individual to a literacy council. Whenever an individual is referred to a community college or to a literacy council, the Employment Security Commission shall monitor the individual's progress through close communications with those agencies. The Employment Security Commission shall adopt rules to accomplish this subsection.

(a8) The Job Preparedness component of the Program shall last a maximum of 12 weeks unless the recipient is registered and is satisfactorily progressing in a program that requires additional time to complete. Every effort shall be made to place the recipient in part-time employment or part-time community service if the time required exceeds the 12-week maximum.

(a9) An individual placed in the Job Search component of the First Stop Employment Program shall look for work and shall accept any suitable employment. The Employment Security Commission shall refer individuals to current job openings and shall make job development contacts for individuals. Individuals shall be required to keep a record of their job search activities on a job search record form provided by the Commission, and the Employment Security Commission will monitor these activities. A 'job search record' means a written list of dates, times, places, addresses, telephone numbers, names, and circumstances of job interviews. The Job Search component shall include at least one weekly contact with the Employment Security Commission. The Employment Security Commission shall adopt rules to accomplish this subsection.

(a10) The Employment Security Commission shall work with the Private Personnel Service Division of the Department of Labor to develop a relationship with these private employment agencies to utilize their services and make referrals of individuals registered with the Employment Security Commission.

(a11) The Employment Security Commission shall notify all employers in the State of the 'Exclusive No-Fault' Referral Service available through the Employment Security Commission to employers who hire personnel through Job Service referrals.

(a12) All individuals referred to jobs through the Employment Security Commission shall be instructed in the procedures for applying for the Federal Earned Income Credit (FEIC). All individuals referred to jobs through the Employment Security Commission who qualify for the FEIC shall apply for the FEIC by filing a W-5 form with their employers.

(a13) The FEIC shall not be counted as income when eligibility is determined for Work First Program assistance, Medicaid, food stamps, subsidies, public housing, or Supplemental Security Income.

(a14) An individual who has not found a job within 12 weeks of being placed in the Job Search component of the Program may also be placed in the Community Service component at the county's option.

(a15) Once an individual has registered with the Employment Security Commission and upon verification of the registration by the agency or contractor providing the Work First Program assistance, the individual's eligibility for Work First Program assistance may be evaluated and the application completed. The individual then may be eligible for all the benefits for which the individual is eligible under the county's County Plan. Continued receipt of Work First Program benefits is contingent upon successful participation in the First Stop Employment Program, and lack of cooperation and participation in the First Stop Employment Program may result in the termination of benefits to the individual.

(a16) The county board of commissioners shall determine which agencies or nonprofit or private contractors will participate with the Employment Security Commission in developing the rules to implement the First Stop Employment Program. The rules and operations of the program shall be reviewed by the Joint Legislative Public Assistance Commission before implementation.

(a17) Each county shall organize a Job Service Employer Committee, based on the membership makeup of the Job Service Employer Committees in existence at the time this act becomes law. Each Job Service Employer Committee shall oversee the operation of the First Stop Employment Program in that county. The Committee shall report to the local Employment Security Commission quarterly on its recommendations to improve the First Stop Employment Program. The Employment Security Commission shall develop the reporting method and time frame and shall coordinate a full report to be presented to the Joint Legislative Public Assistance Commission by the end of each calendar year.

(b) Members of families with dependent children and with aggregate family income at or below the level required for eligibility for ~~Aid to Families with Dependent Children assistance,~~ Work First Family Assistance, regardless of whether or not they have applied for such assistance, shall be given priority in obtaining ~~manpower~~ employment services including training and ~~public service employment~~ community service provided by or through State agencies or counties or with funds which are allocated to the State of North Carolina directly or indirectly through prime sponsors or otherwise for the purpose of employment of unemployed persons.

(c) [Repealed.]"

(b) Each county's Job Service Employer Committee shall develop a study of the "working poor" in their respective counties and shall include the following in the study:

(1) Determine the extent to which current labor market participation enables individuals and families to earn the amount of disposable income necessary to meet their basic needs;

(2) Determine how many North Carolinians work and earn wages below one hundred fifty percent (150%) of the Federal Poverty Guideline and study trends in the size and demographic profiles of this underemployed group within the respective county;

(3) Examine job market factors that contribute to any changes in the composition and numbers of the working poor including, but not limited to, shifts from manufacturing to service, from full-time to part-time work, from permanent to temporary or their contingent employment;

(4) Consider and determine the respective responsibilities of the public and private sectors in ensuring that working families and individuals have disposable income adequate to meet their basic needs;

(5) Evaluate the effectiveness of the unemployment insurance system in meeting the needs of low-wage workers when they become unemployed;

(6) Examine the efficacy of a State earned income tax credit that would enable working families to meet the requirements of the basic needs budget;

(7) Examine the wages, benefits, and protections available to part-time and temporary workers, leased employees, independent contractors, and other contingent workers as compared to regular full-time workers;

(8) Solicit, receive, and accept grants or other funds from any person or entity and enter into agreements with respect to these grants or other funds regarding the undertaking of studies or plans necessary to carry out the purposes of the committee; and

(9) Request any necessary data from either public or private entities that relate to the needs of the committee.

Each committee shall prepare and submit a report on the finding for the county which it represents by May 1, 1998, to the Joint Legislative Public Assistance Commission.

(c) The First Stop Employment Assistance program becomes effective beginning July 1, 1997. Funds shall be allocated from the Work First Program to establish the First Stop Employment Program and to assist the Job Service Employer Committees in their completion of the study of the working poor.

(d) G.S. 126-7.1 reads as rewritten:

"**§ 126-7.1. Posting requirement; State employees receive priority consideration; reduction-in-force ~~rights.~~ rights; Work First hiring.**

(a) All vacancies for which any State agency, department, or institution openly recruit shall be posted within at least the following:

(1) The personnel office of the agency, department, or institution having the vacancy; and

(2) The particular work unit of the agency, department, or institution having the vacancy

in a location readily accessible to employees. If the decision is made, initially or at any time while the vacancy remains open, to receive applicants from outside the recruiting agency, department, or institution, the vacancy shall be listed with the Office of State Personnel for the purpose of informing current State employees of such vacancy. The State agency, department, or institution may not receive approval from the Office of State Personnel to fill a job vacancy if the agency, department, or institution cannot prove to the satisfaction of the Office of State Personnel that it complied with these posting requirements. The agency, department, or institution which hires any person in violation of these posting requirements shall pay such person when employment is discontinued as a result of such violation for the work performed during the period of time between his initial employment and separation.

(a1) State employees to be affected by a reduction in force shall be notified of the reduction in force as soon as practicable, and in any event, no less than 30 days prior to the effective date of the reduction in force.

(a2) The State Personnel Commission shall adopt rules to provide that priority consideration for State employees separated from State employment as the result of reductions in force is to enable a State employee's return to career service at a salary grade and salary rate equal to that held in the most recent position. The State Personnel Commission shall provide that a State employee who:

(1) Accepts a position at the same salary grade shall be paid at the same salary rate as the employee's previous position.

(2) Accepts a position at a lower salary grade than the employee's previous position shall be paid at the same rate as the previous position unless the salary rate exceeds the maximum of the new salary grade. When the salary rate exceeds the maximum of the salary grade, the employee's new salary rate shall be reduced to the maximum of the new salary grade.

(b) Subsection (a) of this section does not apply to vacancies which must be filled immediately to prevent work stoppage or the protection of the public health, safety, or security.

(c) If a State employee subject to this section:

(1) Applies for another position of State employment that would constitute a promotion and;

(2) Has substantially equal qualifications as an applicant who is not a State employee

then the State employee shall receive priority consideration over the applicant who is not a State employee. This priority consideration shall not apply when the only applicants considered for the vacancy are current State employees.

(c1) If a State employee who has been separated due to reduction in force or who has been given notice of imminent separation due to reduction in force:

(1) Applies for another position of State employment equal to or lower in salary grade than the position held by the employee at the time of notification or separation; and

(2) Is determined qualified for that position

then within all State agencies, the State employee shall receive priority consideration over all other applicants but shall receive equal consideration with other applicants who are current State employees not affected by the reduction in force. This priority shall remain in effect for a period of 12 months from the date the employee receives notification of separation by reduction in force. State employees separated due to reduction in force shall receive higher priority than other applicants with employment or reemployment priorities, except that the reemployment priority created by G.S. 126-5(e)(1) shall be considered as equal. The reduction-in-force priority created by this subsection shall be administered in accordance with rules promulgated by the State Personnel Commission.

(c2) If the applicants for reemployment for a position include current State employees, a State employee with more than 10 years of service shall receive priority consideration over a State employee having less than 10 years of service in the same or related position classification. This reemployment priority shall be given by all State departments, agencies, and institutions with regard to positions subject to this Chapter.

(d) 'Qualifications' within the meaning of subsection (c) of this section shall consist of:

(1) Training or education;

(2) Years of experience; and

(3) Other skills, knowledge, and abilities that bear a reasonable functional relationship to the abilities and skills required in the job vacancy applied for.

(e) Each State agency, department, and institution is encouraged to hire into State government employment qualified applicants who are current or former Work First program participants."

Section 11A.7. Chapter 108A of the General Statutes is amended by adding a new section to read:

"**§ 108A-29.1. Substance abuse treatment required; drug testing for Work First Program recipients.**

(a) Each applicant or current recipient of Work First Program benefits, determined by a Certified Substance Abuse Counselor (CSAC) or by a physician certified by the American Society of Addiction Medicine (ASAM) to be addicted to alcohol or drugs and to be in need of professional substance abuse treatment services shall be required, as part of the person's MRA and as a condition to receiving Work First Program benefits, to participate satisfactorily in an individualized plan of treatment in an appropriate treatment program. As a mandatory program component of participation in an addiction treatment program, each applicant or current recipient shall be required to submit to an approved, reliable, and professionally administered regime of testing for presence of alcohol or drugs, without advance

notice, during and after participation, in accordance with the addiction treatment program's individualized plan of treatment, follow-up, and continuing care services for the applicant or current recipient.

(b) An applicant or current recipient who fails to comply with any requirement imposed pursuant to this section shall not be eligible for benefits or shall be subject to the termination of benefits, but shall be considered to be receiving benefits for purposes of determining eligibility for medical assistance.

(c) The children of any applicant or current recipient shall remain eligible for benefits, and these benefits shall be paid to a protective payee pursuant to G.S. 108A-38.

(d) An applicant or current recipient shall not be regarded as failing to comply with the requirements of this section if an appropriate drug or alcohol treatment program is unavailable.

(e) Area mental health authorities organized pursuant to Article 4 of Chapter 122C of the General Statutes shall be responsible for administering the provisions of this section."

Section 11A.8. G.S. 108A-38 reads as rewritten:

"**§ 108A-38. Protective and vendor payments.**

~~Instead of the use of personal representatives provided for by G.S. 108A-37, when~~ When necessary to comply with any present or future federal law or regulation in order to obtain federal participation in public assistance payments, the payments may be made direct to vendors to reimburse them for goods and services provided the applicants or recipients, and may be made to protective payees who shall act for the applicant or recipient for receiving and managing assistance. Payments to vendors and protective payees shall be made to the extent provided in, and in accordance with, rules ~~and regulations~~ of the ~~Social Services Commission or the~~ Department, which rules ~~and regulations~~ shall be subject to applicable federal laws and regulations."

Section 11A.9. G.S. 108A-49 reads as rewritten:

"**§ 108A-49. Foster care and adoption assistance payments.**

(a) Benefits in the form of foster care assistance shall be granted in accordance with the rules ~~and regulations~~ of the ~~Social Services Commission~~ Department of Human Resources to any dependent child who ~~is~~ would have been eligible to receive ~~AFDC~~ Aid to Families with Dependent Children (as that program was in effect on June 1, 1995), but for his or her removal from the home of a specified relative for placement in a foster care facility; provided, that the child's placement and care is the responsibility of a county department of social services.

(b) Adoption assistance payments for certain adoptive children shall be granted in accordance with the rules ~~and regulations~~ of the ~~Social Services Commission~~ Department to adoptive parents who adopt a child eligible to receive foster care maintenance payments or supplemental security income benefits; provided, that the child cannot be returned to his or her parents; and provided, that the child has special needs which create a financial barrier to adoption.

(c) The Department is authorized to use available federal payments to states under Title IV-E of the Social Security Act for foster care and adoption assistance payments."

Section 11A.10. G.S. 108A-58 reads as rewritten:

"**§ 108A-58. Transfer of property for purposes of qualifying for medical assistance; periods of ineligibility.**

(a) Any person, otherwise eligible, who, either while receiving medical assistance benefits or within one year prior to the date of applying for medical assistance benefits, unless some other time period is mandated by controlling federal law, sells, gives, assigns or transfers countable real or personal property or an interest ~~therein, either by himself or through his legal representative,~~ in real or personal property for the purpose of retaining or establishing eligibility for medical assistance benefits, shall be ineligible to receive medical assistance benefits ~~thereafter~~ as set forth in subsection (c) of this section.

Countable real and personal property includes real property, excluding a homesite, intangible personal property, nonessential motor and recreational vehicles, nonincome producing business equipment, boats and motors. The provisions of this act shall not apply to the sale, gift, assignment or transfer of real or personal property if and to the extent that the person applying for medical assistance would have been eligible for such assistance notwithstanding ownership of such property or an interest therein.

(b) Any sale, gift, assignment or transfer of real or personal property or an interest ~~therein,~~ in real or personal property, as provided in subsection (a) of this section, shall be presumed to have been made for the purpose of retaining or establishing eligibility for medical assistance benefits unless the person, or ~~his~~ the person's legal representative, who sells, gives, assigns or transfers the property or interest, receives valuable consideration at least equal to the fair market value, less encumbrances, of the property or interest.

(c) Any person ~~who, by himself or through his legal representative,~~ who sells, gives, assigns or transfers real or personal property or an interest ~~therein~~ in real or personal property for the purpose of retaining or establishing eligibility for medical assistance benefits, as provided in subsection (a) of this section, ~~shall~~ shall, after the time of transfer, be ineligible to receive these benefits ~~thereafter~~ until an amount equal to the uncompensated value of the property or interest has been expended by or on behalf of the person for ~~his~~ the person's maintenance and support, including medical expenses, paid or incurred, or shall be ineligible in accordance with the following schedule, whichever is sooner:

(1) For uncompensated value of at least one thousand dollars ($1,000) but not more than six thousand dollars ($6,000), a one-year period of ineligibility from date of sale, gift, assignment or transfer;

(2) For uncompensated value of more than six thousand dollars ($6,000) but not more than twelve thousand dollars ($12,000), a two-year period of ineligibility from date of sale, gift, assignment or transfer;

(3) For uncompensated value of more than twelve thousand dollars ($12,000), a two-year period of ineligibility from date of sale, gift, assignment or transfer, plus one additional month of ineligibility for each five hundred dollar ($500.00) increment or portion thereof by which the uncompensated value exceeds twelve thousand dollars ($12,000), but in no event to exceed three years.

(d) The sale, gift, assignment or transfer for a consideration less than fair market value, less encumbrances, of any tangible personal property which was acquired with the proceeds of sale, assignment or transfer of real or intangible personal property described in subsection (a) of this section or in exchange for such real or intangible personal property shall be presumed to have been for the purpose of evading the provisions of this section if the acquisition and sale, gift, assignment or transfer of the tangible personal property is by or on behalf of a person receiving medical assistance or within one year of making application for such assistance and the consequences of the sale, gift, assignment of transfer of such tangible personal property shall be determined under the provisions of subsections (c), (f) and (g) of this section.

(e) The presumptions created by subsections (b) and (d) may be overcome if the person receiving or applying for medical assistance, or ~~his~~ the person's legal representative, establishes by the greater weight of the evidence that the sale, gift, assignment or transfer was exclusively for some purpose other than retaining or establishing eligibility for medical assistance benefits.

(f) For the purpose of establishing uncompensated value under subsection (c), the value of property or an interest therein shall be the fair market value of the property or interest at the time of the sale, gift, assignment or transfer, less the amount of compensation, if any, received for the property or interest. There shall be a rebuttable presumption that the fair market value of real property is the most recent property tax value of the property, as ascertained according to Subchapter II of Chapter 105 of the General Statutes. Fair market value for purpose of this subsection shall be such value, determined as above set out, less any legally enforceable encumbrances to which the property is subject.

(g) In the event that there is more than one sale, gift, assignment or transfer of property or an interest therein by a person receiving medical assistance or within one year of the date of an application for medical assistance, unless some other time period is mandated by controlling federal law, the uncompensated value, for the purposes of subsection (c), shall be the aggregate uncompensated value of all sales, gifts, assignments and transfers. The date which is the midpoint between the date of the first and last sale, gift, assignment or transfer shall be the date from which the period of ineligibility shall be determined under subsection (c).

(h) This section shall not apply to applicants for or recipients of ~~aid to families with dependent children~~ Work First Family Assistance or to persons entitled to medical assistance by virtue of their eligibility for ~~aid to families with dependent children.~~ Work First Family Assistance.

(i) This section shall apply only to transfers made before July 1, 1988."

Section 11A.11. G.S. 108A-80 reads as rewritten:

"**§ 108A-80. Confidentiality of records.**

(a) Except as provided in (b) below, it shall be unlawful for any person to obtain, disclose or use, or to authorize, permit, or acquiesce in the use of any list of names or other information concerning persons applying for or receiving public assistance or social services that may be directly or indirectly derived from the records, files or communications of the Department or the county boards of social services, or county departments of social services or acquired in the course of performing official duties except for the purposes directly connected with the administration of the programs of public assistance and social services in accordance with federal law, rules and ~~regulations and~~ regulations, and the rules ~~and regulations~~ of the ~~Social Services Commission or the~~ Department.

(b) ~~The Department~~ Each county shall furnish a copy of the recipient check register monthly to ~~each~~ its county auditor showing a complete list of all recipients of ~~Aid To Families with Dependent Children~~ Work First Family Assistance and State-County Special Assistance for Adults, their addresses, and the amounts of the monthly grants. This register shall be a public record open to public inspection during the regular office hours of the county auditor, but said register or the information contained therein may not be used for any commercial or political purpose. Any violation of this section shall constitute a Class 1 misdemeanor.

(c) Any listing of recipients of benefits under any public assistance or social services program compiled by or used for official purposes by a county board of social services or a county department of social services shall not be used as a mailing list for political purposes. This prohibition shall apply to any list of recipients of benefits of any federal, State, county or mixed public assistance or social services program. Further, this prohibition shall apply to the use of such listing by any person, organization, corporation, or business, including but not limited to public officers or employees of federal, State, county, or other local governments, as a mailing list for political purposes. Any violation of this section shall be punishable as a Class 1 misdemeanor.

(d) The ~~Social Services Commission~~ Department of Human Resources shall have the authority to adopt rules ~~and regulations~~ governing access to case files for social services and public assistance ~~programs, except the Medical Assistance Program. The Secretary of the Department of Human Resources shall have the authority to adopt rules and regulations governing access to medical assistance case files.~~ programs."

Section 11A.12. Part 10B of Article 3 of Chapter 143B of the General Statutes is amended by adding a new section to read:

"**§ 143B-168.17. Priority/programs for children in Work First families.**

(a) All programs authorized and funded in whole or in part under this Part shall give the children in Work First Program families priority in appropriate programs or services.

(b) Counties which do not have programs funded in whole or in part under this Part shall develop programs which first address the needs of children in participating Work First Program families whenever funds under this Part become available.

(c) Counties may use funds provided under this Part for Work First Services but shall not use funds provided for Work First Services for programs authorized under this Part."

Section 11A.13. G.S. 153A-255 reads as rewritten:

"**§ 153A-255. Authority to provide social service programs.**

(a) Each county shall have the duty to provide temporary assistance to its poor residents.

(b) Each county shall provide social service programs pursuant to Chapter 108A and Chapter 111 and may otherwise undertake, sponsor, organize, engage in, and support other social service programs intended to further the health, welfare, education, employment, safety, comfort, and convenience of its citizens."

Section 11A.14. G.S. 108A-28, 108A-28.1, 108A-30, 108A-31, 108A-32, 108A-33, 108A-34, 108A-35, 108A-39.1, and 108A-92 are repealed.

Section 11A.15. Article 12G of Chapter 120 of the General Statutes is repealed.

Section 11A.16. (a) The Department of Labor shall establish a pilot project creating Individual Development Accounts (IDA) to assist working families.

(b) Of the funds appropriated in this act to the Department of Labor, the sum of three hundred thousand dollars ($300,000) for the 1997-98 fiscal year and the sum of three hundred thousand dollars ($300,000) for the 1998-99 fiscal year shall be used to establish a pilot project creating Individual Development Accounts (IDA) to:

(1) Provide individuals and families, especially the underemployed, an opportunity and an incentive to accumulate assets.

(2) Promote investments in education, homeownership, and microenterprise development.

(3) Demonstrate that household savings strategies, such as the development of IDAs, can be a powerful strategy for assisting working persons and families to achieve long-term self-sufficiency.

(4) Utilize and build comprehensive community partnerships that support asset building in low-wealth communities.

(c) The funds allocated in this section shall be made available to serve as matching funds for personal savings of qualified participants selected to participate in a multiyear demonstration to last not more than five years. Other expenses of the demonstration, including training, technical assistance, evaluation, and other program and administrative expenses, shall be covered from other public and private sources. Matching funds provided from the funds allocated in this section may be used by qualified participants for home purchase, investment in a business or self-employment venture owned by the participant, or costs of postsecondary education or training for the participant. Participants shall not be restricted as to the amounts or sources of funds deposited in the account, but in order to create the incentive for continued savings, only savings from earned income will qualify for State matching funds. Tax return reports of earned income shall be used to verify compliance.

(d) This section becomes effective July 1, 1997.

Section 11A.17. (a) In order to ensure that the intent of the people is carried out, it is the intent of the General Assembly to sit in Special Session to enact the first State Plan developed pursuant to this Part. Thereafter, the State Plan shall be adopted as part of the Current Operations Appropriations Act.

(b) While sitting in Special Session, the General Assembly shall entertain requests by counties for proposed changes to statutory requirements or rules which a county considers an impediment to its County Plan. In subsequent regular sessions, county requests for changes shall be in the form of local bills.

(c) The requirement that the Department prepare and submit the State Plan to the General Assembly for approval in accordance with the procedures set forth in G.S. 143-16.1 shall not be applicable for fiscal year 1997-98. Until the counties have prepared their County Plans and the State has prepared its State Plan in accordance with this part and that State Plan has been enacted by the General Assembly and it becomes law, either during its Regular Session 1998, or by Special Session, the provisions of the State Plan submitted to the federal government on October 16, 1996, shall remain in effect. State Plans submitted after the 1997-98 fiscal year shall be enacted by the General Assembly in order to be effective.

Section 11A.18. (a) All funds intended for the Work First Program shall be appropriated to that Program through the 1997-99 biennium. No Work First Program funds shall be diverted into other programs during the 1997-99 biennium.

(b) The administrative costs of the Work First Program, at any level, shall not exceed eight percent (8%) of the State's federal TANF block grant funds, and one-time expenditures for equipment and support shall not exceed ten percent (10%) of the State's federal TANF block grant funds.

(c) Federal, State, and county funding for the Work First Program shall be commingled and shall not be separated to frustrate the purposes of the Work First Program.

(d) The commingled block grants paid quarterly to counties shall not be reverted.

Section 11A.19. Notwithstanding any other provision of law, beginning July 1, 1997, each county shall dedicate seventy-five percent (75%) of the total AFDC and Work First Cash Assistance benefit amount that was determined fraudulent or erroneous and recovered by that county pursuant to the AFDC Fraud Control Program to enhance and improve program integrity.

Section 11A.20. (a) There is established a Joint Legislative Public Assistance Commission. The Joint Legislative Public Assistance Commission shall monitor and oversee the implementation of the provisions of this part and shall make any necessary recommendations to the General Assembly regarding any further changes to law or rule. The Speaker of the House of Representatives shall appoint 10 members, two of whom shall be cochair, and the President Pro Tempore of the Senate shall appoint 10 members, two of whom shall be cochair. The Joint Legislative Public Assistance Commission shall first convene within 30 days after this act becomes law.

(b) Of the funds appropriated in this act to the General Assembly, the sum of one hundred thousand dollars ($100,000) for the 1997-98 fiscal year and the sum of one hundred thousand dollars ($100,000) for the 1998-99 fiscal year shall be used for the Joint Legislative Public Assistance Commission.

(c) This section becomes effective July 1, 1997.

Section 11A.21. The Legislative Research Commission may study issues relating to the Medical Assistance Program and the State-County Special Assistance Program, including the following: the need for further restrictions and longer periods of disqualification for the transfer of property for purposes of qualifying for medical assistance and State-County Special Assistance, and appropriate recovery from recipient estates of benefits paid by the Medical Assistance Program and the State-County Special Assistance Program. The Legislative Research Commission may report the results of its study, along with any legislative proposals and cost analyses, to the 1998 General Assembly.

Section 11A.22. (a) Article 3 of Chapter 143B of the General Statutes is amended by adding a new Part to read:

"Part 31. Office of Inspector General.

"**§ 143B-216.50. Department of Human Resources Inspector General.**

(a) The Office of Inspector General is established in the Department of Human Resources to provide a central point for coordination of and responsibility for activities that promote accountability, integrity, and efficiency in the Department and in means-tested public assistance programs. The Office of Inspector General is designated as the State Law Enforcement Bureau (SLEB) to take custody and control of food stamps from the federal Food and Consumer Service to make them available to nonfederal law enforcement and investigative agencies to conduct criminal and food stamp program violation investigations.

(b) It shall be the duty and responsibility of the Inspector General to:

(1) Advise in the development of performance measures, standards, and procedures for the evaluation of the Department.

(2) Assess the reliability and validity of the information provided by the Department on performance measures and standards and make recommendations for improvement, if necessary.

(3) Review the actions taken by the Department to improve program performance and meet program standards and make recommendations for improvement, if necessary.

(4) Provide direction for, supervise, and coordinate audits, investigations, and management reviews relating to the programs and operations of the Department.

(5) Conduct, supervise, or coordinate other activities and programs carried out or financed by the Department for the purpose of promoting economy and efficiency in the administration of, or preventing and detecting fraud and abuse in, its programs and operations, including coordinating activities between local program integrity workers and the State.

(6) Keep the Secretary of Human Resources informed concerning fraud, abuses, and deficiencies relating to programs and operations administered or financed by the Department, recommend corrective action concerning fraud, abuses, and deficiencies, and report on the progress made in implementing corrective action.

(7) Ensure effective coordination and cooperation between the State Auditor, federal auditors, and other governmental bodies with a view toward avoiding duplication.

(8) Review, as appropriate, rules relating to the programs and operations of the Department and make recommendations concerning their impact.

(9) Ensure that an appropriate balance is maintained between audit, investigative, and other accountability activities.

(c) The Inspector General shall be appointed by the Secretary. The appointment shall be made after notifying the Governor in writing, at least seven days prior to an offer of employment, of the Secretary's intention to hire the Inspector General.

(d) The Inspector General shall report to and be under the general supervision of the Secretary and shall not be subject to supervision by any other employee of the Department. The Inspector General shall be appointed without regard to political affiliation.

(e) The Inspector General may be removed from office by the Secretary. The Secretary shall notify the Governor, in writing, of the intention to terminate the Inspector General at least seven days prior to the removal.

(f) The Secretary shall not prevent or prohibit the Inspector General from initiating, carrying out, or completing any audit or investigation.

(g) The Inspector General shall have access to any records, data, and other information of the Department the Inspector General believes necessary to carry out the Inspector General's duties. The Inspector General is also authorized to request such information or assistance as may be necessary from the Department or from any federal, State, or local government entity.

"**§ 143B-216.51. Inspector General -- Department audits.**

(a) To ensure that Department audits are performed in accordance with applicable auditing standards, the Inspector General shall possess the following qualifications:

(1) A bachelors degree from an accredited college or university with a major in accounting, or with a major in business which includes five courses in accounting, and five years of experience as an internal auditor or independent postauditor, electronic data processing auditor, accountant, or any combination thereof. The experience shall at a minimum consist of audits of units of government or private business enterprises operating for profit or not for profit;

(2) A masters degree in accounting, business administration, or public administration from an accredited college or university and four

years of experience as required in subdivision (1) of this subsection; or

(3) A certified public accountant license issued pursuant to law or a certified internal audit certificate issued by the Institute of Internal Auditors or earned by examination, and four years of experience as required in subdivision (1) of this subsection.

The Inspector General shall, to the extent both necessary and practicable, include on the Inspector General's staff individuals with electronic data processing auditing experience.

(b) In carrying out the auditing duties and responsibilities of this Part, the Inspector General shall review and evaluate internal controls necessary to ensure the fiscal accountability of the Department. The Inspector General shall conduct financial, compliance, electronic data processing, and performance audits of the Department and prepare audit reports of the findings. The scope and assignment of the audits shall be determined by the Inspector General; however, the Secretary may at any time direct the Inspector General to perform an audit of a special program, function, or organizational unit. The performance of the audit shall be under the direction of the Inspector General.

(c) Audits undertaken pursuant to this Part shall be conducted in accordance with the current Standards for the Professional Practice of Internal Auditing and subsequent Internal Auditing Standards or Statements on Internal Auditing Standards published by the Institute of Internal Auditors, Inc., or, where appropriate, in accordance with generally accepted governmental auditing standards. All audit reports issued by internal audit staff shall include a statement that the audit was conducted pursuant to the appropriate standards.

(d) Audit workpapers and reports shall be public records to the extent that they do not include information which, under the laws of the State, is confidential and exempt from Chapter 132 of the General Statutes.

(e) At the conclusion of each audit, the Inspector General shall submit tentative findings and recommendations to the person responsible for supervision of the program function or operational unit who shall respond to any adverse findings within 20 working days after receipt of the tentative findings. The response and the Inspector General's rebuttal to the response shall be included in the final audit report.

(f) The Inspector General shall submit the final report to the Secretary and to the State Auditor.

(g) The State Auditor, in connection with any audit of the Department pursuant to law, shall give appropriate consideration to internal audit reports and the resolution of findings therein. The Joint Legislative Commission on Governmental Operations may inquire into the reasons or justifications for failure of the Secretary to correct the deficiencies reported in internal audits that are also reported by the State Auditor and shall take appropriate action. The State Auditor shall also review a sample of the Department's internal audit reports at least once every three years to determine compliance with current Standards for the Professional Practice of Internal

Auditing or, if appropriate, generally accepted governmental auditing standards. If the State Auditor finds that these standards have not been complied with, the State Auditor shall include a statement of this finding in the audit report of the Department.

(h) The Inspector General shall monitor the implementation of the Department's response to any audit of the Department conducted by the State Auditor pursuant to law. No later than six months after the State Auditor publishes a report of the audit of the Department, the Inspector General shall report to the Secretary on the status of corrective actions taken. A copy of the report shall be filed with the Joint Legislative Commission on Governmental Operations.

(i) The Inspector General shall develop long-term and annual audit plans based on the findings of periodic risk assessments. The plan, where appropriate, should include postaudit samplings of payments and accounts. The plan shall show the individual audits to be conducted during each year and related resources to be devoted to the respective audits. The State Controller may utilize audits performed by the Inspector General. The plan shall be submitted to the Secretary for approval. A copy of the approved plan shall be submitted to the State Auditor.

"§ 143B-216.52. Inspector General -- investigations.

(a) In carrying out the investigative duties and responsibilities specified in this section, the Inspector General shall initiate, conduct, supervise, and coordinate investigations designed to detect, deter, prevent, and eradicate fraud, waste, mismanagement, misconduct, and other abuses in the Department and in means-tested public assistance programs. For these purposes, the Inspector General shall:

(1) Receive and consider complaints and conduct, supervise, or coordinate such inquiries, investigations, or reviews as the Inspector General deems appropriate.

(2) Establish policies and standards for the investigation, detection, and elimination of fraud, abuse, waste, and mismanagement in the Department and in means-tested public assistance programs.

(3) Establish and conduct training programs for local and State program integrity workers to improve detection of fraud and abuse.

(4) Conduct, supervise, and coordinate a program aimed at eliminating food stamp violations, enter into any agreements with the federal government necessary to establish this program, and serve as the official authorized to accept food stamps from the federal Food and Consumer Service for this purpose.

(5) Report expeditiously to the State Bureau of Investigation or other law enforcement agencies, as appropriate, whenever the Inspector General has reasonable grounds to believe there has been a violation of criminal law.

(6) Conduct investigations and other inquiries free of actual or perceived impairment to the independence of the Inspector General or the Inspector General's office. This shall include

freedom from any interference with investigations and timely access to records and other sources of information.

(7) Submit in a timely fashion final reports on investigations conducted by the Inspector General to the Secretary.

(b) The Inspector General shall, not later than September 30 of each year, prepare an annual report summarizing the activities of the office during the immediately preceding State fiscal year. The final report shall be furnished to the Secretary. Such report shall include, but need not be limited to:

(1) A description of activities relating to the development, assessment, and validation of performance measures.

(2) A description of significant abuses and deficiencies relating to programs and to operations of the Department disclosed by investigations, audits, reviews, or other activities during the reporting period.

(3) A description of the recommendations for corrective action made by the Inspector General during the reporting period with respect to significant problems, abuses, or deficiencies identified.

(4) The identification of each significant recommendation described in previous annual reports on which corrective action has not been completed.

(5) A summary of each audit and investigation completed during the reporting period."

(b) The Department shall immediately proceed with the implementation of this section, including proceeding with all actions necessary to establish a State Law Enforcement Bureau (SLEB) program for food stamps in this State.

Section 11A.23. Part 6 of Chapter 143B of the General Statutes is repealed. All functions, powers, duties, and obligations previously vested in the Social Services Commission is transferred to and vested in the Department of Human Resources by a Type I transfer, as defined in G.S. 143A-6.

SUBPART B. STATUTORY TECHNICAL AND CONFORMING CHANGES RELATING TO ENACTMENT OF THE WORK FIRST PROGRAM.

Section 11A.24. G.S. 1-110(a) reads as rewritten:

"(a) Subject to the provisions of subsection (b) of this section with respect to prison inmates, any superior or district court judge or clerk of the superior court may authorize a person to sue as an indigent in their respective courts when the person makes affidavit that he or she is unable to advance the required court costs. The clerk of superior court shall authorize a person to sue as an indigent if the person makes the required affidavit and meets one or more of the following criteria:

(1) Receives food stamps.

(2) Receives ~~Aid to Families with Dependent Children (AFDC).~~ Work First Family Assistance.

(3) Receives Supplemental Security Income (SSI).

(4) Is represented by a legal services organization that has as its primary purpose the furnishing of legal services to indigent persons.

(5) Is represented by private counsel working on the behalf of or under the auspices of a legal services organization under subdivision (4) of this section.

(6) Is seeking to obtain a domestic violence protective order pursuant to G.S. 50B-2.

A superior or district court judge or clerk of superior court may authorize a person who does not meet one or more of these criteria to sue as an indigent if the person is unable to advance the required court costs. The court to which the summons is returnable may dismiss the case and charge the court costs to the person suing as an indigent if the allegations contained in the affidavit are determined to be untrue or if the court is satisfied that the action is frivolous or malicious."

Section 11A.25. G.S. 15-155.1 reads as rewritten:

"**§ 15-155.1. Reports to district attorneys of aid to dependent children and ~~illegitimate~~ out-of-wedlock births.**

The Department of Human Resources, by and through the Secretary of Human Resources, shall promptly after June 19, 1959, make a report to each district attorney, setting out the names and addresses of all mothers who reside in his prosecutorial district as defined in G.S. 7A-60 and are recipients of ~~aid to dependent children~~ assistance under the provisions of Part 2, Article 2, Chapter 108A of the General Statutes. Such report shall in some manner show the identity of the unwed mothers and shall set forth the number of children born to each said mother. Such a report shall also be made monthly thereafter setting out the names and addresses of all such mothers who reside in the district and who may have become recipients of ~~aid to dependent children~~ assistance under the provisions of Part 2, Article 2, Chapter 108A of the General Statutes since the date of the last report."

Section 11A.26. G.S. 15-155.2(a) reads as rewritten:

"(a) Upon receipt of such reports as are provided for in G.S. 15-155.1, the district attorney of superior court may make an investigation to determine whether the mother of an ~~illegitimate~~ out-of-wedlock child or who is a recipient of ~~aid to a dependent child or children,~~ Work First Family Assistance, has abandoned, is willfully neglecting or is refusing to support and maintain the child within the meaning of G.S. 14-326 or 49-2 or is diverting any part of the funds received as ~~aid to a dependent child~~ Work First Family Assistance to any purpose other than for the support and maintenance of ~~such dependent~~ a child in violation of G.S. 108-76.1. In making this investigation the district attorney is authorized to call upon:

(1) Any county board of social services or the Department of Human Resources for personal, clerical or investigative assistance and for access to any records kept by either such board and relating to the matter under investigation and such boards are hereby directed to assist in all investigations hereunder and to furnish all records relating thereto when so requested by the district attorney;

(2) The board of county commissioners of any county within his district for legal or clerical assistance in making any investigation or investigations in such county and such boards are hereby authorized to furnish such assistance in their discretion; and

(3) The district attorney of any inferior court in his district for personal assistance in making any investigation or investigations in the county in which the court is located and any district attorney so called upon is hereby authorized to furnish such assistance by and with the consent of the board of county commissioners of the county in which the court is located, which board shall provide and fix his compensation for assistance furnished."

Section 11A.27. G.S. 95-25.3(d) reads as rewritten:

"(d) The Commissioner, in order to prevent curtailment of opportunities for employment of the economically disadvantaged and the unemployed, may, by regulation, establish a wage rate not less than eighty-five percent (85%) of the otherwise applicable wage rate in effect under subsection (a) which shall apply to all persons (i) who have been unemployed for at least 15 weeks and who are economically disadvantaged, or (ii) who are, or whose families are, receiving ~~aid to families with dependent children provided under Part A of Title IV of the Social Security Act,~~ Work First Family Assistance or who are receiving supplemental security benefits under Title XVI of the Social Security Act.

Pursuant to regulations issued by the Commissioner, certificates establishing eligibility for such subminimum wage shall be issued by the Employment Security Commission.

The regulation issued by the Commissioner shall not permit employment at the subminimum rate for a period in excess of 52 weeks."

Section 11A.28. G.S. 105A-2(1) reads as rewritten:

"(1) 'Claimant agency' means and includes:

a. The State Education Assistance Authority as enabled by Article 23 of Chapter 116 of the General Statutes;

b. The North Carolina Department of Human Resources when in the exercise of its authority to collect health profession student loans made pursuant to G.S. 131-121;

c. The North Carolina Department of Human Resources when in the performance of its duties under the Medical Assistance Program enabled by Chapter 108A, Article 2, Part 6, and any county operating the same Program at the local level, when and only to the extent such a county is in the performance of Medical Assistance Program collection functions;

d. The North Carolina Department of Human Resources when in the performance of its duties, under the Child Support Enforcement Program as enabled by Chapter 110, Article 9 and Title IV, Part D of the Social Security Act to obtain

indemnification for past paid public assistance or to collect child support arrearages owed to an individual receiving program services and any county operating the program at the local level, when and only to the extent that the county is engaged in the performance of those same duties;

e. The University of North Carolina, including its constituent institutions as specified by G.S. 116-2(4);

f. The University of North Carolina Hospitals at Chapel Hill in the conduct of its financial affairs and operations pursuant to G.S. 116-37;

g. The Board of Governors of the University of North Carolina and the State Board of Education through the College Scholarship Loan Committee when in the performance of its duties of administering the Scholarship Loan Fund for Prospective College Teachers enabled by Chapter 116, Article 5;

h. The Office of the North Carolina Attorney General on behalf of any State agency when the claim has been reduced to a judgment;

i. The State Board of Community Colleges through community colleges as enabled by Chapter 115D in the conduct of their financial affairs and operations;

j. State facilities as listed in G.S. 122C-181(a), School for the Deaf at Morganton, North Carolina Sanatorium at McCain, Western Carolina Sanatorium at Black Mountain, Eastern North Carolina Sanatorium at Wilson, and Gravely Sanatorium at Chapel Hill under Chapter 143, Article 7; Governor Morehead School under Chapter 115, Article 40; Central North Carolina School for the Deaf under Chapter 115, Article 41; Wright School for Treatment and Education of Emotionally Disturbed Children under Chapter 122C; and these same institutions by any other names by which they may be known in the future;

k. The North Carolina Department of Revenue;

l. The Administrative Office of the Courts;

m. The Division of Forest Resources of the Department of Environment, Health, and Natural Resources;

n. The Administrator of the Teachers' and State Employees' Comprehensive Major Medical Plan, established in Article 3 of General Statutes Chapter 135;

o. The State Board of Education through the Superintendent of Public Instruction when in the performance of his duties of administering the Scholarship Loan Fund for Prospective Teachers enabled by Chapter 115C, Article 32A and the

scholarship loan and grant programs enabled by Chapter 115C, Article 24C, Part 1;

p. The Board of Trustees of the Teachers' and State Employees' Retirement System and the Board of Trustees of the Local Governmental Employees' Retirement System in the performance of their duties pursuant to Chapters 120, 128, 135 and 143 of the General Statutes;

q. The North Carolina Teaching Fellows Commission in the performance of its duties pursuant to Chapter 115C, Article 24C, Part 2;

r. The North Carolina Department of Human Resources when in the performance of its collection duties for intentional program violations and violations due to inadvertent household error under the Food Stamp Program enabled by Chapter 108A, Article 2, Part 5, and any county operating the same Program at the local level, when and only to the extent such a county is in the performance of Food Stamp Program collection functions.

The North Carolina Department of Human Resources when, in the performance of its duties under the ~~Aid to Families with Dependent Children Program or the Aid to Families with Dependent Children -- Emergency Assistance Program provided in Part 2 of Article 2 of Chapter 108A or the Work First Cash Assistance Program established pursuant to the federal waivers received by the Department on February 5, 1996,~~ Work First Program provided in Part 2 of Article 2 of Chapter 108A of the General Statutes, or under the State-County Special Assistance for Adults Program provided in Part 3 of Article 2 of Chapter 108A, it seeks to collect public assistance payments obtained through an intentional false statement, intentional misrepresentation, intentional failure to disclose a material fact, or inadvertent household error;

s. The Employment Security Commission of North ~~Carolina.~~ Carolina;

t. Any State agency in the collection of salary overpayments from former ~~employees.~~ employees; or

u. The State Board of Education through the Superintendent of Public Instruction when in the performance of his duties of administering the program under which the State encourages participation in the National Board for Professional Teaching Standards (NBPTS) Program, enabled by Section 19.28 of Chapter 769 of the 1993 Session Laws."

Section 11A.29. G.S. 110-129(6) reads as rewritten:

"(6) 'Disposable income' means any form of periodic payment to an individual, regardless of sources, including but not limited to wages, salary, commission, self-employment income, bonus pay, severance pay, sick pay, incentive pay, vacation pay, compensation as an independent contractor, worker's compensation, unemployment compensation benefits, disability, annuity, survivor's benefits, pension and retirement benefits, interest, dividends, rents, royalties, trust income and other similar payments, which remain after the deduction of amounts for federal, State, and local taxes, Social Security, and involuntary retirement contributions. However, Supplemental Security Income, ~~Aid for Dependent Children,~~ Work First Family Assistance, and other public assistance payments shall be excluded from disposable income. For employers, disposable income means 'wage' as it is defined by G.S. 95-25.2(16). Unemployment compensation benefits shall be treated as disposable income only for the purposes of income withholding under the provisions of G.S. 110-136.4, and the amount withheld shall not exceed twenty-five percent (25%) of the unemployment compensation benefits."

Section 11A.30. G.S. 110-130.1 reads as rewritten:

"**§ 110-130.1. ~~Non-AFDC~~ Non-Work First services.**

(a) All child support collection and paternity determination services provided under this Article to recipients of public assistance shall be made available to any individual not receiving public assistance in accordance with federal law and as contractually authorized by the nonrecipient, upon proper application and payment of a nonrefundable application fee of ten dollars ($10.00).

(b) Repealed by Session Laws 1989, c. 490.

(b1) In cases in which a public assistance debt which accrued pursuant to G.S. 110-135 remains unrecovered, support payments shall be transmitted to the Department of Human Resources for appropriate distribution. When services are terminated and all costs and any public assistance debts have been satisfied, the support payment shall be redirected to the client.

(c) Actions or proceedings to establish, enforce, or modify a duty of support or establish paternity as initiated under this Article shall be brought in the name of the county or State agency on behalf of the public assistance recipient or nonrecipient client. Collateral disputes between a custodial parent and noncustodial parent, involving visitation, custody and similar issues, shall be considered only in separate proceedings from actions initiated under this Article. The attorney representing the designated representative of programs under Title IV-D of the Social Security Act shall be deemed attorney of record only for proceedings under this Article, and not for the separate proceedings. No attorney/client relationship shall be considered to have been created between the attorney who represents the child support enforcement agency and any person by virtue of the action of the attorney in providing the services required.

(c1) The Department is hereby authorized to use the electronic and print media in attempting to locate absent and deserting parents. Due diligence must be taken to ensure that the information used is accurate or has been verified. Print media shall be under no obligation or duty, except that of good faith, to anyone to verify the correctness of any information furnished to it by the Department or county departments of social services.

(d) Any fee imposed by the North Carolina Department of Revenue or the Secretary of the Treasury to cover their costs of withholding for ~~non-AFDC~~ non-Work First arrearages certified for the collection of past due support from State or federal income tax refunds shall be borne by the client by deducting the fee from the amount collected.

Any income tax refund offset amounts which are subsequently determined to have been incorrectly withheld and distributed to a client, and which must be refunded by the State to a responsible parent or the nondebtor spouse, shall constitute a debt to the State owed by the client."

Section 11A.31. G.S. 111-21 reads as rewritten:

"**§ 111-21. Disqualifications for relief.**

No aid to needy blind persons shall be given under the provisions of this Article to any individual for any period with respect to which he is receiving aid under the laws of North Carolina providing ~~aid for dependent children~~ Work First Family Assistance and/or relief for the aged, and/or aid for the permanently and totally disabled."

SUBPART C. STATUTORY TECHNICAL AND CONFORMING CHANGES RELATING TO THE ABOLISHMENT OF THE SOCIAL SERVICES COMMISSION AND THE COMMISSION ON THE FAMILY.

Section 11A.32. G.S. 7A-289.14 reads as rewritten:

"**§ 7A-289.14. Duties of Secretary of Human Resources.**

It shall be the duty of the Secretary of Human Resources to arrange for the appropriate unit or units of the Department of Human Resources to implement this Article as follows:

(1) To designate the appropriate unit of the Department of Human Resources to be responsible for coordination of state-level services in relation to delinquency prevention and youth services so that any citizen may go to one place in State government to receive services or access to services.

(2) Repealed by Session Laws 1977, c. 627, s. 20.

(3) To arrange appropriate coordination and planning within the child-serving agencies of the Department of Human Resources and promote interdepartmental coordination.

(4) To assist local governments and private service agencies in the development of community-based programs, and to provide information on the availability of potential funding sources and whatever assistance may be requested in making application for needed funding.

(5) To approve yearly program evaluations and to make recommendations to the General Assembly concerning continuation funding that might be supported by that evaluation.

(6) To approve program evaluation standards by which all programs developed under the provisions of this Article may be objectively evaluated.

Such standards as may be developed for the purpose of program evaluation shall be in addition to any current standards as may be applicable under the existing authority of the ~~Social Services Commission and the~~ Department of Human Resources.

Minimum operating standards as well as program evaluation standards as may be needed for new program models designed to fulfill the intent of this Article, may be developed at the discretion of the ~~Secretary either by the Social Services Commission or the Secretary.~~ Secretary.

(7) To develop a formula for funding on a matching basis community-based services as provided for in this Article. This formula shall be based upon the county's or counties' relative ability to fund community-based programs for juveniles.

Local governments receiving State matching funds for programs under the provisions of this Article must maintain the same overall level of effort that existed at the time of the filing of the county assessment of youth needs with the Department of Human Resources as provided in G.S. 7A-289.16 of this Article."

Section 11A.33. G.S. 7A-548(a2) reads as rewritten:

"(a2) Upon completion of the investigation, the Director shall give the Department written notification of the results of the investigation required by G.S. 7A-544. Upon completion of an investigation of child sexual abuse in a day care facility or day care home, the Director shall also make written notification of the results of the investigation to the State Bureau of Investigation.

The Director of the Department of Social Services shall submit a report of alleged abuse, neglect, or dependency cases or child fatalities that are the result of alleged maltreatment to the central registry under the policies adopted by the ~~Social Services Commission.~~ Department of Human Resources."

Section 11A.34. G.S. 7A-552 reads as rewritten:

"§ 7A-552. Central registry.

The Department of Human Resources shall maintain a central registry of abuse, neglect, and dependency cases and child fatalities that are the result of alleged maltreatment that are reported under this Article in order to compile data for appropriate study of the extent of abuse and neglect within the State and to identify repeated abuses of the same juvenile or of other juveniles in the same family. This data shall be furnished by county directors of social services to the Department of Human Resources and shall be confidential, subject to policies adopted by the ~~Social Services Commission~~ Department of Human Resources providing for its use for study

and research and for other appropriate disclosure. Data shall not be used at any hearing or court proceeding unless based upon a final judgment of a court of law."

Section 11A.35. G.S. 48-1-101(14) reads as rewritten:

"(14) 'Preplacement assessment' means a document, whether prepared before or after placement, that contains the information required by G.S. 48-3-303 and any rules adopted by the ~~Social Services Commission.~~ Department of Human Resources."

Section 11A.36. G.S. 48-2-502(c) reads as rewritten:

"(c) The ~~Social Services Commission~~ Department of Human Resources may adopt rules to implement the provisions of this section."

Section 11A.37. G.S. 48-3-203(e) reads as rewritten:

"(e) In addition to the authority granted in G.S. 131D-10.5, the ~~Social Services Commission~~ Department of Human Resources may adopt rules for placements by agencies consistent with the purposes of this Chapter."

Section 11A.38. G.S. 48-3-204(a) reads as rewritten:

"(a) The ~~Social Services Commission~~ Department of Human Resources may adopt rules requiring agencies to adopt and follow appropriate recruitment plans for prospective adoptive parents."

Section 11A.39. G.S. 48-3-303(i) reads as rewritten:

"(i) The ~~Social Services Commission~~ Department of Human Resources shall have authority to establish by rule additional standards for preplacement assessments."

Section 11A.40. G.S. 48-3-308(a) reads as rewritten:

"(a) Each agency shall have a procedure for allowing an individual who has received an unfavorable preplacement assessment to have the assessment reviewed by the agency. In addition to the authority in G.S. 131D-10.5, the ~~Social Services Commission~~ Department of Human Resources ~~shall have authority to~~ may adopt rules implementing this section."

Section 11A.41. G.S. 108A-1 reads as rewritten:

"§ 108A-1. Creation.

Every county shall have a board of social services or a consolidated human services board created pursuant to G.S. 153A-77(b) which shall establish county policies for the programs established by this Chapter in conformity with the rules and regulations of ~~the Social Services Commission~~ and under the supervision of the Department of Human Resources. Provided, however, county policies for the program of medical assistance shall be established in conformity with the rules and regulations of the Department of Human Resources."

Section 11A.42. G.S. 108A-3 reads as rewritten:

"§ 108A-3. Method of appointment; residential qualifications; fee or compensation for services; consolidated human services board appointments.

(a) Three-Member Board. -- The board of commissioners shall appoint one member who may be a county commissioner or a citizen selected by the board; the ~~Social Services Commission~~ Department of Human Resources shall appoint one member; and the two members so appointed shall select the third member. In the event the two members so appointed are unable to agree upon selection of the third

member, the senior regular resident superior court judge of the county shall make the selection.

(b) Five-Member Board. -- The procedure set forth in subsection (a) shall be followed, except that both the board of commissioners and the ~~Social Services Commission~~ Department of Human Resources shall appoint two members each, and the four so appointed shall select the fifth member. If the four are unable to agree upon the fifth member, the senior regular superior court judge of the county shall make the selection.

(c) Provided further that each member so appointed under subsection (a) and subsection (b) of this section by the ~~Social Services Commission~~ Department of Human Resources and by the county board of commissioners or the senior regular resident superior court judge of the county, shall be bona fide residents of the county from which they are appointed to serve, and will receive as their fee or compensation for their services rendered from the Department of Human Resources directly or indirectly only the fees and compensation as provided by G.S. 108A-8.

(d) Consolidated Human Services Board. -- The board of county commissioners shall be the sole appointing authority for members of a consolidated human services board and shall appoint those members in accordance with G.S. 153A-77(c)."

Section 11A.43. G.S. 108A-5 reads as rewritten:

"**§ 108A-5. Order of appointment.**

(a) Three-Member Board: The term of the member appointed by the ~~Social Services Commission~~ Department of Human Resources shall expire on June 30, 1981, and every three years thereafter; the term of the member appointed by the board of commissioners shall expire on June 30, 1983, and every three years thereafter; and the term of the third member shall expire on June 30, 1982, and every three years thereafter.

(b) Five-Member Board: Whenever a board of commissioners of any county decides to expand a three-member board to a five-member board of social services, the ~~Social Services Commission~~ Department of Human Resources shall appoint an additional member for a term expiring at the same time as the term of the existing member appointed by the board of commissioners, and the board of commissioners shall appoint an additional member for a term expiring at the same time as the term of the existing member appointed by the ~~Social Services Commission.~~ Department of Human Resources. The change to a five-member board shall become effective at the time when the additional members shall have been appointed by both the county board of commissioners and the ~~Social Services Commission.~~ Department of Human Resources. Thereafter all appointments shall be for three-year terms.

(c) Change from Five-Member to Three-Member Board: The change shall become effective on the first day of July following the decision to change by the board of commissioners. On that day, the following two seats on the board of social services shall cease to exist:

(1) The seat held by the member appointed by the ~~Social Services Commission~~ Department of Human Resources whose term would have expired on June 30, 1983, or triennially thereafter; and

(2) The seat held by the member appointed by the board of commissioners whose term would have expired June 30, 1981, or triennially thereafter."

Section 11A.44. G.S. 108A-9 reads as rewritten:

"**§ 108A-9. Duties and responsibilities.**

The county board of social services shall have the following duties and responsibilities:

(1) To select the county director of social services according to the merit system rules of the State Personnel Commission;

(2) To advise county and municipal authorities in developing policies and plans to improve the social conditions of the community;

(3) To consult with the director of social services about problems relating to his office, and to assist him in planning budgets for the county department of social services;

(4) To transmit or present the budgets of the county department of social services for public assistance, social services, and administration to the board of county commissioners;

(5) To have such other duties and responsibilities as the General Assembly, the Department of Human Resources ~~or the Social Services Commission~~ or the board of county commissioners may assign to it."

Section 11A.45. G.S. 108A-10 reads as rewritten:

"**§ 108A-10. Fees.**

The county board of social services is authorized to enter into contracts with any governmental or private agency, or with any person, whereby the board of social services agrees to render services to or for such agency or person in exchange for a fee to cover the cost of rendering such service. This authority is to be limited to services voluntarily rendered and voluntarily received, but shall not apply where the charging of a fee for a particular service is specifically prohibited by statute or regulation. The fees to be charged under the authority of this section are to be based upon a plan recommended by the county director of social services and approved by the local board of social services and the board of county commissioners. In no event is the fee charged to exceed the cost to the board of social services. Fee policies may not conflict with rules and regulations adopted by the ~~Social Services Commission or~~ Department of Human Resources regarding fees.

The fees collected under the authority of this section are to be deposited to the account of the social services department so that they may be expended for social services purposes in accordance with the provisions of Article 3 of Chapter 159, the Local Government Budget and Fiscal Control Act. No individual employee is to receive any compensation over and above his regular salary as a result of rendering services for which a fee is charged.

The county board of social services shall annually report to the county commissioners receipts received under this section. Fees collected under this section

shall not be used to replace any other funds, either State or local, for the program for which the fees were collected."

Section 11A.46. G.S. 108A-14(a) reads as rewritten:

"(a) The director of social services shall have the following duties and responsibilities:

(1) To serve as executive officer of the board of social services and act as its secretary;

(2) To appoint necessary personnel of the county department of social services in accordance with the merit system rules of the State Personnel Commission;

(3) To administer the programs of public assistance and social services established by this Chapter under pertinent rules and regulations;

(4) To administer funds provided by the board of commissioners for the care of indigent persons in the county under policies approved by the county board of social services;

(5) To act as agent of the ~~Social Services Commission and~~ Department of Human Resources in relation to work required by the ~~Social Services Commission and~~ Department of Human Resources in the county;

(6) To investigate cases for adoption and to supervise adoptive placements;

(7) To issue employment certificates to children under the regulations of the State Department of Labor;

(8) To supervise adult care homes under the rules and regulations of the ~~Social Services Commission;~~ Department of Human Resources;

(9) To assist and cooperate with the Department of Correction and their representatives;

(10) To act in conformity with the provisions of Article 7, Chapter 35 of the General Statutes with regard to sterilization of mentally ill and mentally retarded persons;

(11) To investigate reports of child abuse and neglect and to take appropriate action to protect such children pursuant to the Child Abuse Reporting Law, Article 44 of Chapter 7A;

(12) To accept children for placement in foster homes and to supervise placements for so long as such children require foster home care;

(13) To respond by investigation to notification of a proposed adoptive placement pursuant to G.S. 48-3(b) and (c); and

(14) To receive and evaluate reports of abuse, neglect, or exploitation of disabled adults and to take appropriate action as required by the Protection of the Abused, Neglected, or Exploited Disabled Adults Act, Article 6 of this Chapter, to protect these adults."

Section 11A.47. G.S. 108A-15.1(a) reads as rewritten:

"(a) Except as otherwise provided by this section and subject to any limitations that may be imposed by the board of county commissioners under G.S. 153A-77, a

consolidated human services board created pursuant to G.S. 153A-77(b) shall have the responsibility and authority to carry out the programs established in this Chapter in conformity with the rules and regulations of ~~the Social Services Commission~~ and under the supervision of the Department of Human Resources in the same manner as a county social services board."

Section 11A.48. G.S. 108A-40 reads as rewritten:

"**§ 108A-40. Authorization of State-County Special Assistance for Adults Program.**

The Department is authorized to establish and supervise a State-County Special Assistance for Adults Program. This program is to be administered by county departments of social services under rules and regulations of the ~~Social Services Commission.~~ Department."

Section 11A.49. G.S. 108A-41 reads as rewritten:

"**§ 108A-41. Eligibility.**

(a) Assistance shall be granted under this Part to all persons in adult care homes for care found to be essential in accordance with the rules and regulations adopted by the ~~Social Services Commission~~ Department of Human Resources and prescribed by G.S. 108A-42(b).

(b) Assistance shall be granted to any person who:

(1) Is 65 years of age and older, or is between the ages of 18 and 65 and is permanently and totally disabled; and

(2) Has insufficient income or other resources to provide a reasonable subsistence compatible with decency and health as determined by the rules and regulations of the ~~Social Services Commission;~~ Department of Human Resources; and

(3) Is a resident of North Carolina.

(c) When determining whether a person has insufficient resources to provide a reasonable subsistence compatible with decency and health, there shall be excluded from consideration the person's primary place of residence and the land on which it is situated, and in addition there shall be excluded real property contiguous with the person's primary place of residence in which the property tax value is less than twelve thousand dollars ($12,000).

(d) The county shall also have the option of granting assistance to Certain Disabled persons as defined in the rules and regulations adopted by the ~~Social Services Commission.~~ Department of Human Resources. Nothing in this Part should be interpreted so as to preclude any individual county from operating any program of financial assistance using only county funds."

Section 11A.50. G.S. 108A-42(c) reads as rewritten:

"(c) Disability shall be reviewed by medical consultants employed by the Department. The final decision on the disability shall be made by these medical consultants under rules and regulations adopted by the ~~Social Services Commission.~~ Department of Human Resources."

Section 11A.51. G.S. 108A-43 reads as rewritten:

"**§ 108A-43. Application procedure.**

(a) Applications under this Part shall be made to the county director of social services who, with the approval of the county board of social services and in conformity with the rules and regulations of the ~~Social Services Commission,~~ Department of Human Resources, shall determine whether assistance shall be granted and the amount of such assistance; but the county board of social services may delegate to the county director the authority to approve or reject all applications for assistance under this Part, in which event the county director shall not be required to report his actions to the board.

(b) The amount of assistance which any eligible person may receive shall be determined with regard to the resources and necessary expenditures of the applicant, in accordance with the appropriate rules and regulations of the ~~Social Services Commission.~~ Department of Human Resources."

Section 11A.52. G.S. 108A-45 reads as rewritten:

"**§ 108A-45. Participation.**

The State-County Special Assistance for Adults Program established by this Part shall be administered by all the county departments of social services under rules and regulations adopted by ~~the Social Services Commission~~ and under the supervision of the Department. Provided that, assistance for certain disabled persons shall be provided solely at the option of the county."

Section 11A.53 G.S. 108A-47 reads as rewritten:

"**§ 108A-47. Limitations on payments.**

No payment of assistance under this Part shall be made for the care of any person in an adult care home that is owned or operated in whole or in part by any of the following:

(1) A member of the ~~Social Services Commission,~~ Department of Human Resources, of any county board of social services, or of any board of county commissioners;

(2) An official or employee of the Department, unless the official or employee has been appointed temporary manager of the facility pursuant to G.S. 131E-237, or of any county department of social services;

(3) A spouse of a person designated in subdivisions (1) and (2)."

Section 11A.54. G.S. 108A-48(a) reads as rewritten:

"(a) The Department is authorized to establish a State Foster Care Benefits Program with appropriations by the General Assembly for the purpose of providing assistance to children who are placed in foster care facilities by county departments of social services in accordance with the rules and regulations of the ~~Social Services Commission.~~ Department of Human Resources. Such appropriations, together with county contributions for this purpose, shall be expended to provide for the costs of keeping children in foster care facilities."

Section 11A.55. G.S. 108A-50(c) reads as rewritten:

"(c) Eligibility for an adoptive child to receive assistance shall be determined by the Department ~~under the rules and regulations of the Social Services Commission.~~ and pursuant to its rules."

Section 11A.56. G.S. 108A-52 reads as rewritten:

"**§ 108A-52. Determination of eligibility.**

Any person who believes that he or another person is eligible to receive food stamps may apply for such assistance to the county department of social services in the county in which the applicant resides. The application shall be made in such form and shall contain such information as the ~~Social Services Commission~~ Department of Human Resources may require. Upon receipt of an application for food stamps, the county department of social services shall make a prompt evaluation or investigation of the facts alleged in the application in order to determine the applicant's eligibility for such assistance and to obtain such other information as the Department may require. Upon the completion of such investigation, the county department of social services shall, within a reasonable period of time, determine eligibility."

Section 11A.57. G.S. 108A-55(d) reads as rewritten:

"(d) No payments shall be made for the care of any person in a nursing home or intermediate care home which is owned or operated in whole or in part by a member of ~~the Social Services Commission, of~~ any county board of social services, or of any board of county commissioners, or by an official or employee of the Department or of any county department of social services or by a spouse of any such person."

Section 11A.58. G.S. 108A-79 reads as rewritten:

"**§ 108A-79. Appeals.**

(a) A public assistance applicant or recipient shall have a right to appeal the decision of the county board of social services, county department of social services, or the board of county commissioners granting, denying, terminating, or modifying assistance, or the failure of the county board of social services or county department of social services to act within a reasonable time under the rules and regulations of ~~the Social Services Commission or~~ the Department. Each applicant or recipient shall be notified in writing of his right to appeal upon denial of his application for assistance and at the time of any subsequent action on his case.

(b) In cases involving termination or modification of assistance, no action shall become effective until 10 workdays after notice of this action and of the right to appeal is mailed or delivered by hand to the recipient; provided, however, termination or modification of assistance may be effective immediately upon the mailing or delivery of notice in the following circumstances:

(1) When the modification is beneficial to the recipient; or

(2) When federal regulations permit immediate termination or modification upon mailing or delivery of notice and the ~~Social Services Commission or the~~ Department of Human Resources promulgates regulations adopting said federal law or regulations. When federal and State regulations permit immediate termination or modification, the recipient shall have no right to continued assistance at the present level pending a hearing, as would otherwise be provided by subsection (d) of this section.

(c) The notice of action and the right to appeal shall comply with all applicable federal and State law and regulations; provided, such notice shall, at a minimum contain a clear statement of:

(1) The action which was or is to be taken;

(2) The reasons for which this action was or is to be taken;

(3) The regulations supporting this action;

(4) The applicant's or recipient's right to both a local and State level hearing, or to a State level hearing in the case of the food stamp program, on the decision to take this action and the method for obtaining these hearings;

(5) The right to be represented at the hearings by a personal representative, including an attorney obtained at the applicant's or recipient's expense;

(6) In cases involving termination or modification of assistance, the recipient's right upon timely request to continue receiving assistance at the present level pending an appeal hearing and decision on that hearing.

An applicant or recipient may give notice of appeal by written or oral statement to the county department of social services, which shall record such notice by completing a form developed by the Department.

Such notice of appeal must be given within 60 days from the date of the action, or 90 days from the date of notification in the case of the food stamp program. Failure to give timely notice of appeal constitutes a waiver of the right to a hearing except that, for good cause shown, the county department of social services may permit an appeal notwithstanding the waiver. The waiver shall not affect the right to reapply for benefits.

(d) If there is such timely appeal in cases not involving disability, in the first instance the hearing shall consist of a local appeal hearing before the county director or a designated representative of the county director, provided whoever hears the local appeal shall not have been involved directly in the initial decision giving rise to the appeal. If there is such timely appeal in cases involving disability, the county director or a designated representative of the county director shall within five days of the request for an appeal forward the request to the Department of Human Resources, and the Department shall designate a hearing officer who shall promptly hold a hearing in the county according to the provisions of subsections (i) and (j) of this section. In cases involving termination or modification of assistance (other than cases of immediate termination or modification of assistance pursuant to subsection (b) (2) of this section), the recipient shall continue to receive assistance at the present level pending the decision at the initial hearing, whether that be the local appeal hearing decision or, in cases involving questions of disability, the Department of Human Resources hearing decision, provided that in order to continue receiving assistance pending the initial hearing decision the recipient must request a hearing on or before the effective date of the termination or modification of assistance.

(e) The local appeal hearing shall be held not more than five days after the request for it is received. The recipient may, for good cause shown as defined by rule or regulation of the ~~Social Services Commission or the~~ Department, petition the county department of social services, in writing, for a delay, but in no event shall the local appeal hearing be held more than 15 days after the receipt of the request for hearing. At the local appeal hearing:

(1) The appellant and the county department may be represented by personal representatives, including attorneys, obtained at their expense.

(2) The appellant or his personal representative and the county department shall present such sworn evidence and law or regulations as bear upon the case. The hearing need not be recorded or transcribed, but the director or his representative shall summarize in writing the substance of the hearing.

(3) The appellant or his personal representative and the county department may cross-examine witnesses and present closing arguments summarizing their views of the case and the law.

(4) Prior to and during the hearing, the appellant or his personal representative shall have adequate opportunity to examine the contents of his case file for the matter pending together with those portions of other public assistance or social services case files which pertain to the appeal, and all documents and records which the county department of social services intends to use at the hearing. Those portions of the public assistance or social services case file which do not pertain to the appeal or which are required by federal statutes or regulations or by State statutes or regulations to be held confidential shall not be released to the appellant or his personal representative. In cases where the appellant has been denied access to the public assistance or social services case file the hearing officer shall certify as part of the official record that the hearing officer has examined the case files and that no portion of those files pertain to the appeal. Such certification may be subject to judicial review as provided in subsection (k) of this section. Nothing in this section is intended to restrict an applicant or recipient access to information if that access is allowed by rules and regulations promulgated pursuant to G.S. 108A-80.

(f) The director or his designated representative shall make the decision based upon the evidence presented at the hearing and all applicable regulations, and shall prepare a written statement of his decision citing the regulations and evidence to support it. This written statement of the decision will be served by certified mail on the appellant within five days of the local appeal hearing. If the decision terminating or modifying the appellant's benefits is affirmed, the assistance shall be terminated or modified, not earlier than the date the decision is mailed, and any assistance received during the time of the appeal is subject to recovery.

(g) If the appellant is dissatisfied with the decision of the local appeal hearing, he may within 15 days of the mailing notification of the decision take a further appeal to the Department. However, assistance may not be received pending this further appeal. Failure to give timely notice of further appeal constitutes a waiver of the right to a hearing before an official of the Department except that, for good cause shown, the Department may issue an order permitting a review of the local appeal hearing notwithstanding the waiver. The waiver shall not affect the right to reapply for benefits.

(h) Subsections (d)-(g) of this section shall not apply to the food stamp program. The first appeal for a food stamp recipient or his representative shall be to the Department. Pending hearing, the recipient's assistance shall be continued at the present level upon timely request.

(i) If there is an appeal from the local appeal hearing decision, or from a food stamp recipient or his representative where there is no local hearing, or if there is an appeal of a case involving questions of disability the county director shall notify the Department according to its rules and regulations. The Department shall designate a hearing officer who shall promptly hold a de novo administrative hearing in the county after giving reasonable notice of the time and place of such hearing to the appellant and the county department of social services. Such hearing shall be conducted according to applicable federal law and regulations and Article 3, Chapter 150B, of the General Statutes of North Carolina; provided the Department shall adopt rules and regulations to ensure the following:

(1) Prior to and during the hearing, the appellant or his personal representative shall have adequate opportunity to examine his case file and all documents and records which the county department of social services intends to use at the hearing together with those portions of other public assistance or social services case files which pertain to the appeal. Those portions of the public assistance or social services case files which do not pertain to the appeal or which are required by federal statutes or regulations or by State statutes or regulations to be held confidential shall not be released to the appellant or his personal representative. In cases where the appellant has been denied access to portions of the public assistance or social services case file, the hearing officer shall certify as part of the official record that the hearing officer has examined the case files and that no portion of those files pertain to the appeal. Such certification may be subject to judicial review as provided in subsection (k) of this section. Nothing in this section is intended to restrict an applicant or recipient access to information if that access is allowed by rules or regulations promulgated pursuant to G.S. 108A-80.

(2) At the appeal hearing, the appellant and personnel of the county department of social services may present such sworn evidence, law and regulations as bear upon the case.

(3) The appellant and county department shall have the right to be represented by the person of his choice, including an attorney obtained at his own expense.

(4) The appellant and county department shall have the right to cross-examine the other party as well as make a closing argument summarizing his view of the case and the law.

(5) The appeal hearing shall be recorded; however, no transcript will be prepared unless a petition for judicial review is filed pursuant to subsection (k) herein, in which case, the transcript will be made a part of the official record. In the absence of the filing of a petition for a judicial review, the recording of the appeal hearing may be erased or otherwise destroyed 180 days after the final decision is mailed.

(6) Notwithstanding G.S. 150B-28 or any other provision of State law, discovery shall be no more extensive or formal than that required by federal law and regulations applicable to such hearings.

(j) After the administrative hearing, the hearing officer shall prepare a proposal for decision, citing pertinent law, regulations, and evidence, which shall be served upon the appellant and the county department of social services or their personal representatives. The appellant and the county department of social services shall have the opportunity to present oral and written arguments in opposition to or in support of the proposal for decision to the designated official of the Department who is to make the final decision. The final decision shall be based on, conform to, and set forth in detail the relevant evidence, pertinent State and federal law and regulations, and matters officially noticed. The decision shall be rendered not more than 90 days, or 45 days in the case of the food stamp program, from the date of request for the hearing, unless the hearing was delayed at the request of the appellant. If the hearing was delayed at the appellant's request, the decision may only be delayed for the length of time the appellant requested a delay. The final decision shall be served upon the appellant and upon the county department of social services by certified mail, with a copy furnished to either party's attorney of record. In the absence of a petition for judicial review filed pursuant to subsection (k) herein, the final decision shall be binding upon the appellant, the county department of social services, the county board of social services, and the board of county commissioners.

(k) Any applicant or recipient who is dissatisfied with the final decision of the Department may file, within 30 days of the receipt of notice of such decision, a petition for judicial review in superior court of the county from which the case arose. Failure to file a petition within the time stated shall operate as a waiver of the right of such party to review, except that, for good cause shown, a judge of the superior court resident in the district or holding court in the county from which the case arose may issue an order permitting a review of the agency decision under this Chapter notwithstanding such waiver. The hearing shall be conducted according to the provisions of Article 4, Chapter 150B, of the North Carolina General Statutes. The court shall, on request, examine the evidence excluded at the hearing under G.S.

108A-79(e)(4) or G.S. 108A-79(i)(1) and if the evidence was improperly excluded, the court shall consider it. Notwithstanding the foregoing provisions, the court may take testimony and examine into the facts of the case, including excluded evidence, to determine whether the final decision is in error under federal and State law, and under the rules and regulations of the ~~Social Services Commission or the~~ Department of Human Resources. Furthermore, the court shall set the matter for hearing within 15 days from the filing of the record under G.S. 150B-47 and after reasonable written notice to the Department of Human Resources and the applicant or recipient. Nothing in this subsection shall be construed to abrogate any rights that the county may have under Article 4 of Chapter 150B.

(l) In the event of conflict between federal law or regulations and State law or regulations, the federal law or regulations shall control."

Section 11A.59. G.S. 108A-90(a) reads as rewritten:

"(a) Whenever the Secretary or his representative assigns a portion of the nonfederal share of public assistance expenses to the counties under the rules and regulations of the ~~Social Services Commission or the~~ Department, the board of commissioners of each county shall levy and collect the taxes required to meet the county's share of such expenses."

Section 11A.60. G.S. 108A-108 reads as rewritten:

"**§ 108A-108. Payment for essential services.**

At the time the director, in accordance with the provisions of G.S. 108A-103 makes an evaluation of the case reported, then it shall be determined, according to regulations set by the ~~Social Services Commission,~~ Department of Human Resources, whether the individual is financially capable of paying for the essential services. If he is, he shall make reimbursement for the costs of providing the needed essential services. If it is determined that he is not financially capable of paying for such essential services, they shall be provided at no cost to the recipient of the services."

Section 11A.61. G.S. 110-51 reads as rewritten:

"**§ 110-51. Bond required.**

The ~~Social Services Commission~~ Department of Human Resources may, in its discretion, require of a person, agency, association, institution, or corporation which brings or sends a child into the State with the written consent of the ~~Department of Human Resources,~~ Department, as provided by G.S. 110-50, a continuing bond in a penal sum not in excess of one thousand dollars ($1,000) with such conditions as may be prescribed and such sureties as may be approved by the Department of Human Resources. Said bond shall be made in favor of and filed with the Department of Human Resources with the premium prepaid by the said person, agency, association, institution or corporation desiring to place such child in the State."

Section 11A.62. G.S. 110-55 reads as rewritten:

"**§ 110-55. Violation of Article a misdemeanor.**

Every person acting for himself or for an agency who violates any of the provisions of this Article or who shall intentionally make any false statements to the ~~Social Services Commission or the~~ Secretary of Human Resources or an employee thereof acting for the Department in an official capacity in the placing or adoption of

juvenile delinquents or dependents shall, upon conviction thereof, be guilty of a Class 2 misdemeanor."

Section 11A.63. G.S. 120-123(28) is repealed.

Section 11A.64. G.S. 122C-22 reads as rewritten:

"**§ 122C-22. Exclusions from licensure; deemed status.**

(a) The following are excluded from the provisions of this Article and are not required to obtain licensure under this Article:

(1) Physicians and psychologists engaged in private office practice;

(2) General hospitals licensed under Article 5 of Chapter 131E of the General Statutes, that operate special units for the mentally ill, developmentally disabled, or substance abusers;

(3) State and federally-operated facilities;

(4) Adult care homes licensed under Chapter 131D of the General Statutes;

(5) Developmental child day care centers licensed under Article 7 of Chapter 110 of the General Statutes;

(6) Persons subject to licensure under rules of the ~~Social Services Commission;~~ Department of Human Resources;

(7) Persons subject to rules and regulations of the Division of Vocational Rehabilitation Services; and

(8) Facilities that provide occasional respite care for not more than two individuals at a time; provided that the primary purpose of the facility is other than as defined in G.S. 122C-3(14).

(b) The Commission may adopt rules establishing a procedure whereby a licensable facility certified by a nationally recognized agency, such as the Joint Commission on Accreditation of Hospitals, may be deemed licensed under this Article by the Secretary. Any facility licensed under the provisions of this subsection shall continue to be subject to inspection by the Secretary."

Section 11A.65. G.S. 122C-132.1(a) reads as rewritten:

"(a) The public system shall, in cooperation with private providers, provide for a single portal of entry and exit policy for services for individuals with developmental disabilities. An area authority shall present to the Secretary a single portal of entry and exit plan for services for individuals with developmental disabilities that has been approved by the area board. Area authorities are encouraged to use community interagency councils in the development and implementation of single portal of entry and exit policies. For purposes of this section, services for individuals with developmental disabilities shall include 24-hour and day/night services for individuals with developmental disabilities operated under the authority of this Chapter, Chapters 131D-2, Part A of Article 6 of Chapter 131E of the General Statutes, Article 7 of Chapter 110 of the General Statutes, rules of the Division of Vocational Rehabilitation Services, and rules of the ~~Social Services Commission.~~ Department of Human Resources."

Section 11A.66. G.S. 131D-1(a) reads as rewritten:

"(a) The Department of Human Resources shall inspect and license all maternity homes established in the State under such rules and regulations as the ~~Social Services Commission~~ Department may adopt."

Section 11A.67. G.S. 131D-2 reads as rewritten:

"**§ 131D-2. Licensing of adult care homes for the aged and disabled.**

(a) The following definitions will apply in the interpretation of this section:

(1) 'Abuse' means the willful or grossly negligent infliction of physical pain, injury or mental anguish, unreasonable confinement, or the willful or grossly negligent deprivation by the administrator or staff of an adult care home of services which are necessary to maintain mental and physical health.

(1a) 'Administrator' means a person approved by the Department of Human Resources who has the responsibility for the total operation of a licensed domiciliary home.

(1b) 'Adult care home' is an assisted living residence in which the housing management provides 24-hour scheduled and unscheduled personal care services to two or more residents, either directly or, for scheduled needs, through formal written agreement with licensed home care or hospice agencies. Some licensed adult care homes provide supervision to persons with cognitive impairments whose decisions, if made independently, may jeopardize the safety or well-being of themselves or others and therefore require supervision. Medication in an adult care home may be administered by designated, trained staff. Adult care homes that provide care to two to six unrelated residents are commonly called family care homes. Adult care homes and family care homes are subject to licensure by the Division of Facility Services.

(1c) 'Amenities' means services such as meals, housekeeping, transportation, and grocery shopping that do not involve hands-on personal care.

(1d) 'Assisted living residence' means any group housing and services program for two or more unrelated adults, by whatever name it is called, that makes available, at a minimum, one meal a day and housekeeping services and provides personal care services directly or through a formal written agreement with one or more licensed home care or hospice agencies. The Department may allow nursing service exceptions on a case-by-case basis. Settings in which services are delivered may include self-contained apartment units or single or shared room units with private or area baths. Assisted living residences are to be distinguished from nursing homes subject to provisions of G.S. 131E-102. Effective October 1, 1995, there are two types of assisted living residences: adult care homes and group homes for developmentally disabled adults. Effective

July 1, 1996, there is a third type, multiunit assisted housing with services.

(1e) 'Compensatory agent' means a spouse, relative, or other caretaker who lives with a resident and provides care to a resident.

(2) 'Developmentally disabled adult' means a person who has attained the age of 18 years and who has a developmental disability defined as a severe, chronic disability of a person which:

a. Is attributed to a mental or physical impairment or combination of mental and physical impairments;

b. Is manifested before the person attains age 22;

c. Is likely to continue indefinitely;

d. Results in substantial functional limitations in three or more of the following areas of major life activity: (i) self-care, (ii) receptive and expressive language, (iii) learning, (iv) mobility, (v) self-direction, (vi) capacity for independent living, and (vii) economic self-sufficiency; and

e. Reflects the person's need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services which are of lifelong or extended duration and are individually planned and coordinated.

(3) Repealed by Session Laws 1995, c. 535, s. 8.

(4) 'Exploitation' means the illegal or improper use of an aged or disabled resident or his resources for another's profit or advantage.

(5) 'Family care home' means an adult care home having two to six residents. The structure of a family care home may be no more than two stories high and none of the aged or physically disabled persons being served there may be housed in the upper story without provision for two direct exterior ground-level accesses to the upper story.

(6) 'Group home for developmentally disabled adults' means an adult care home which has two to nine developmentally disabled adult residents.

(7) Repealed by Session Laws 1995, c. 535, s. 8.

(7a) Effective July 1, 1996, 'multiunit assisted housing with services' means an assisted living residence in which hands-on personal care services and nursing services which are arranged by housing management are provided by a licensed home care or hospice agency, through an individualized written care plan. The housing management has a financial interest or financial affiliation or formal written agreement which makes personal care services accessible and available through at least one licensed home care or hospice agency. The resident has a choice of any provider, and the housing management may not combine charges for housing and personal care services. All residents, or their compensatory agents,

must be capable, through informed consent, of entering into a contract and must not be in need of 24-hour supervision. Assistance with self-administration of medications may be provided by appropriately trained staff when delegated by a licensed nurse according to the home care agency's established plan of care. Multiunit assisted housing with services programs are required to register with the Division of Facility Services and to provide a disclosure statement. The disclosure statement is required to be a part of the annual rental contract that includes a description of the following requirements:

a. Emergency response system;
b. Charges for services offered;
c. Limitations of tenancy;
d. Limitations of services;
e. Resident responsibilities;
f. Financial/legal relationship between housing management and home care or hospice agencies;
g. A listing of all home care or hospice agencies and other community services in the area;
h. An appeals process; and
i. Procedures for required initial and annual resident screening and referrals for services.

Continuing care retirement communities, subject to regulation by the Department of Insurance under Chapter 58 of the General Statutes, are exempt from the regulatory requirements for multiunit assisted housing with services programs.

(8) 'Neglect' means the failure to provide the services necessary to maintain a resident's physical or mental health.

(9) 'Personal care services' means any hands-on services allowed to be performed by In-Home Aides II or III as outlined in Department rules.

(10) 'Registration' means the submission by a multiunit assisted housing with services provider of a disclosure statement containing all the information as outlined in subdivision (7a) of this subsection.

(11) 'Resident' means a person living in an assisted living residence for the purpose of obtaining access to housing and services provided or made available by housing management.

(a1) Persons not to be cared for in adult care homes. -- Except when a physician certifies that appropriate care can be provided on a temporary basis to meet the resident's needs and prevent unnecessary relocation, adult care homes shall not care for individuals with any of the following conditions or care needs:

(1) Ventilator dependency;
(2) Individuals requiring continuous licensed nursing care;

(3) Individuals whose physician certifies that placement is no longer appropriate;

(4) Individuals whose health needs cannot be met in the specific adult care home as determined by the residence, and

(5) Such other medical and functional care needs as the ~~Social Services Commission~~ Department of Human Resources determines cannot be properly met in an adult care home.

(a2) Persons not to be cared for in multiunit assisted housing with services. -- Except when a physician certifies that appropriate care can be provided on a temporary basis to meet the resident's needs and prevent unnecessary relocation, multiunit assisted housing with services shall not care for individuals with any of the following conditions or care needs:

(1) Ventilator dependency;

(2) Dermal ulcers III and IV, except those stage III ulcers which are determined by an independent physician to be healing;

(3) Intravenous therapy or injections directly into the vein, except for intermittent intravenous therapy managed by a home care or hospice agency licensed in this State;

(4) Airborne infectious disease in a communicable state that requires isolation of the individual or requires special precautions by the caretaker to prevent transmission of the disease, including diseases such as tuberculosis and excluding infections such as the common cold;

(5) Psychotropic medications without appropriate diagnosis and treatment plans;

(6) Nasogastric tubes;

(7) Gastric tubes except when the individual is capable of independently feeding himself and caring for the tube, or as managed by a home care or hospice agency licensed in this State;

(8) Individuals requiring continuous licensed nursing care;

(9) Individuals whose physician certifies that placement is no longer appropriate;

(10) Unless the individual's independent physician determines otherwise, individuals who require maximum physical assistance as documented by a uniform assessment instrument and who meet Medicaid nursing facility level-of-care criteria as defined in the State Plan for Medical Assistance. Maximum physical assistance means that an individual has a rating of total dependence in four or more of the seven activities of daily living as documented on a uniform assessment instrument;

(11) Individuals whose health needs cannot be met in the specific multiunit assisted housing with services as determined by the residence; and

(12) Such other medical and functional care needs as the ~~Social Services Commission~~ Department of Human Resources determines cannot be properly met in multiunit assisted housing with services.

(a3) Hospice care. -- At the request of the resident, hospice care may be provided in an assisted living residence under the same requirements for hospice programs as described in Article 10 of Chapter 131E of the General Statutes.

(b) Licensure; inspections. --

(1) The Department of Human Resources shall inspect and license, under rules adopted by the ~~Social Services Commission,~~ Department, all adult care homes for persons who are aged or mentally or physically disabled except those exempt in subsection (c) of this section. Licenses issued under the authority of this section shall be valid for one year from the date of issuance unless revoked earlier by the Secretary of Human Resources for failure to comply with any part of this section or any rules adopted hereunder. No new license shall be issued for any domiciliary home whose administrator was the administrator for any domiciliary home [adult care home] that had its license revoked until one full year after the date of revocation. Licenses shall be renewed annually upon filing and the Department's approval of the renewal application. A license shall not be renewed if outstanding fines and penalties imposed by the State against the home have not been paid. Fines and penalties for which an appeal is pending are exempt from consideration. The renewal application shall contain all necessary and reasonable information that the Department may by rule require. The Department may also issue a provisional license to a facility, pursuant to rules adopted by the ~~Social Services Commission,~~ Department, for substantial failure to comply with the provisions of this section or rules promulgated pursuant to this section. Any facility wishing to contest the issuance of a provisional license shall be entitled to an administrative hearing as provided in the Administrative Procedure Act, Chapter 150B of the General Statutes. A petition for a contested case shall be filed within 30 days after the Department mails written notice of the issuance of the provisional license.

(1a) In addition to the licensing and inspection requirements mandated by subdivision (1) of this subsection, the Department shall ensure that adult care homes required to be licensed by this Article are monitored for licensure compliance on a regular basis. In carrying out this requirement, the Department shall work with county departments of social services to do the routine monitoring and to have the Division of Facility Services oversee this monitoring and perform any follow-up inspection called for. The Department shall also keep an up-to-date directory of all persons who are

administrators as defined in subdivision (1a) of subsection (a) of this section.

(2) Any individual or corporation that establishes, conducts, manages, or operates a facility subject to licensure under this section without a license is guilty of a Class 3 misdemeanor, and upon conviction shall be punishable only by a fine of not more than fifty dollars ($50.00) for the first offense and not more than five hundred dollars ($500.00) for each subsequent offense. Each day of a continuing violation after conviction shall be considered a separate offense.

(3) In addition, the Department may summarily suspend a license pursuant to G.S. 150B-3(c) whenever it finds substantial evidence of abuse, neglect, exploitation or any condition which presents an imminent danger to the health and safety of any resident of the home. Any facility wishing to contest summary suspension of a license shall be entitled to an administrative hearing as provided in the Administrative Procedure Act, Chapter 150B of the General Statutes. A petition for a contested case shall be filed within 20 days after the Department mails a notice of summary suspension to the licensee.

(4) Notwithstanding G.S. 8-53 or any other law relating to confidentiality of communications between physician and patient, in the course of an inspection conducted under subsection (b):

a. Department representatives may review any writing or other record concerning the admission, discharge, medication, care, medical condition, or history of any person who is or has been a resident of the facility being inspected, and

b. Any person involved in giving care or treatment at or through the facility may disclose information to Department representatives;

unless the resident objects in writing to review of his records or disclosure of such information.

The facility, its employees and any other person interviewed in the course of an inspection shall be immune from liability for damages resulting from disclosure of any information to the Department.

The Department shall not disclose:

a. Any confidential or privileged information obtained under this subsection unless the resident or his legal representative authorizes disclosure in writing or unless a court of competent jurisdiction orders disclosure, or

b. The name of anyone who has furnished information concerning a facility without that person's consent.

The Department shall institute appropriate policies and procedures to ensure that unauthorized disclosure does not occur. All confidential or privileged information obtained under this section and the names of persons providing such information shall be exempt from Chapter 132 of the General Statutes.

(5) Notwithstanding any law to the contrary, Chapter 132 of the General Statutes, the Public Records Law, applies to all records of the State Division of Social Services of the Department of Human Resources and of any county department of social services regarding inspections of domiciliary care facilities except for information in the records that is confidential or privileged, including medical records, or that contains the names of residents or complainants.

(c) The following are excluded from the provisions of this section and are not required to be registered or obtain licensure under this section:

(1) Facilities licensed under Chapter 122C or Chapter 131E of the General Statutes;

(2) Persons subject to rules of the Division of Vocational Rehabilitation Services;

(3) Facilities that care for no more than four persons, all of whom are under the supervision of the United States Veterans Administration; and

(4) Facilities that make no charges for housing, amenities, or personal care service, either directly or indirectly.

(c1) Although the contract obligation still remains to pay the housing management for any services covered by the contract between the resident and housing management, the resident of an assisted living facility has the right to obtain services not at the expense of the housing management, from providers other than the housing management.

(c2) The ~~Social Services Commission~~ Department of Human Resources shall adopt any rules necessary to carry out this section. The Commission has the authority, in adopting rules, to specify the limitation of nursing services provided by assisted living residences. In developing rules, the Commission shall consider the need to ensure comparable quality of services provided to residents, whether these services are provided directly by a licensed assisted living provider, licensed home care agency, or hospice. In adult care homes, living arrangements where residents require supervision due to cognitive impairments, rules shall be promulgated to ensure that supervision is appropriate and adequate to meet the special needs of these residents.

(c3) Nothing in this section shall be construed to supersede any federal or State antitrust, antikickback, or safe harbor laws or regulations.

(c4) Housing programs for two or more unrelated adults that target their services to elderly or disabled persons in which the only services provided by the housing management, either directly or through an agreement or other arrangements, are amenities that include, at a minimum, one meal a day and housekeeping services, are

exempt from licensure, but are required to be listed with the Division of Aging, providing information on their location and number of units operated. This type of housing is not considered assisted living.

(d) Repealed by Session Laws 1995, c. 535, s. 8.

(e) The Department of Human Resources shall provide the method of evaluation of residents in adult care homes in order to determine when any of those residents are in need of the professional medical and nursing care provided in licensed nursing homes.

(f) If any provisions of this section or the application of it to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the section which can be given effect without the invalid provision or application, and to this end the provisions of this section are severable.

(g) In order for an adult care home to maintain its license, it shall not hinder or interfere with the proper performance of duty of a lawfully appointed community advisory committee, as defined by G.S. 131D-31 and G.S. 131D-32.

(h) Suspension of admissions to adult care home:

(1) In addition to the administrative penalties described in subsection (b), the Secretary may suspend the admission of any new residents to an adult care home, where the conditions of the adult care home are detrimental to the health or safety of the residents. This suspension shall be for the period determined by the Secretary and shall remain in effect until the Secretary is satisfied that conditions or circumstances merit removing the suspension.

(2) In imposing a suspension under this subsection, the Secretary shall consider the following factors:

a. The degree of sanctions necessary to ensure compliance with this section and rules adopted hereunder; and

b. The character and degree of impact of the conditions at the home on the health or safety of its residents.

(3) The Secretary of Human Resources shall adopt rules to implement this subsection.

(4) Any facility wishing to contest a suspension of admissions shall be entitled to an administrative hearing as provided in the Administrative Procedure Act, Chapter 150B of the General Statutes. A petition for a contested case shall be filed within 20 days after the Department mails a notice of suspension of admissions to the licensee.

(i) Notwithstanding the existence or pursuit of any other remedy, the Department of Human Resources may, in the manner provided by law, maintain an action in the name of the State for injunction or other process against any person to restrain or prevent the establishment, conduct, management or operation of an adult care home without a license. Such action shall be instituted in the superior court of the county in which any unlicensed activity has occurred or is occurring.

If any person shall hinder the proper performance of duty of the Secretary or his representative in carrying out this section, the Secretary may institute an action in the superior court of the county in which the hindrance has occurred for injunctive relief against the continued hindrance, irrespective of all other remedies at law.

Actions under this subsection shall be in accordance with Article 37 of Chapter 1 of the General Statutes and Rule 65 of the Rules of Civil Procedure."

Section 11A.68. G.S. 131D-4.3 reads as rewritten:

"**§ 131D-4.3. Adult care home rules.**

(a) Pursuant to G.S. 143B-153, the ~~Social Services Commission~~ Department of Human Resources shall adopt rules to ensure at a minimum, but shall not be limited to, the provision of the following by adult care homes:

(1) Client assessment and independent case management;

(2) A minimum of 75 hours of training for personal care aides performing heavy care tasks and a minimum of 40 hours of training for all personal care aides. The training for aides providing heavy care tasks shall be comparable to State-approved Certified Nurse Aide I training. For those aides meeting the 40-hour requirement, at least 20 hours shall be classroom training to include at a minimum:

a. Basic nursing skills;

b. Personal care skills;

c. Cognitive, behavioral, and social care;

d. Basic restorative services; and

e. Residents' rights.

A minimum of 20 hours of training shall be provided for aides in family care homes that do not have heavy care residents. Persons who either pass a competency examination developed by the Department of Human Resources, have been employed as personal care aides for a period of time as established by the Department, or meet minimum requirements of a combination of training, testing, and experience as established by the Department shall be exempt from the training requirements of this subdivision;

(3) Monitoring and supervision of residents; and

(4) Oversight and quality of care as stated in G.S. 131D-4.1.

(b) Rules to implement this section shall be adopted as emergency rules in accordance with Chapter 150B of the General Statutes. These rules shall be in effect no later than January 1, 1996.

(c) The Department may suspend or revoke a facility's license, subject to the provisions of Chapter 150B, to enforce compliance by a facility with this section or to punish noncompliance."

Section 11A.69. G.S. 131D-6 reads as rewritten:

"**§ 131D-6. Certification of adult day care programs; purpose; definition; penalty.**

(a) It is the policy of this State to enable people who would otherwise need full-time care away from their own residences to remain in their residences as long as

possible and to enjoy as much independence as possible. One of the programs that permits adults to remain in their residences and with their families is adult day care.

(b) As used in this section 'adult day care program' means the provision of group care and supervision in a place other than their usual place of abode on a less than 24-hour basis to adults who may be physically or mentally disabled. The Department of Human Resources shall annually inspect and certify all adult day care programs, under rules adopted by the ~~Social Services Commission.~~ Department. The ~~Social Services Commission~~ Department of Human Resources shall adopt and enforce rules to protect the health, safety, and welfare of persons in adult day care programs. These rules shall include minimum standards relating to management of the program, staffing requirements, building requirements, fire safety, sanitation, nutrition, and program activities.

~~The Department of Human Resources shall enforce the rules of the Social Services Commission.~~

(c) The Secretary may impose a civil penalty not to exceed one hundred dollars ($100.00) for each violation on a person, firm, agency, or corporation who willfully violates any provision of this section or any rule adopted by the ~~Social Services Commission~~ Department pursuant to this section. Each day of a continuing violation constitutes a separate violation.

In determining the amount of the civil penalty, the Secretary shall consider the degree and extent of the harm or potential harm caused by the violation.

The ~~Social Services Commission~~ Department shall adopt rules concerning the imposition of civil penalties under this subsection.

(c1) Any person, firm, agency, or corporation that harms or willfully neglects a person under its care is guilty of a Class 1 misdemeanor.

(d) The following programs are exempted from the provisions of this section:

(1) Those that care for three people or less;

(2) Those that care for two or more persons, all of whom are related by blood or marriage to the operator of the facility;

(3) Those that are required by other statutes to be licensed by the Department of Human Resources."

Section 11A.70. G.S. 131D-10.2 reads as rewritten:

"**§ 131D-10.2. Definitions.**

For purposes of this Article, unless the context clearly implies otherwise:

(1) 'Adoption' means the act of creating a legal relationship between parent and child where it did not exist genetically.

(2) 'Adoptive Home' means a family home approved by a child placing agency to accept a child for adoption.

(3) 'Child' means an individual less than 18 years of age, who has not been emancipated under the provisions of Article 56 of Chapter 7A of the General Statutes.

(4) 'Child Placing Agency' means a person authorized by statute or license under this Article to receive children for purposes of

placement in residential group care, family foster homes or adoptive homes.

(5) 'Children's Camp' means a residential child-care facility which provides foster care at either a permanent camp site or in a wilderness setting.

(6) ~~'Commission' means the Social Services Commission.~~

(6a) 'Criminal History' means a county, state, or federal criminal history of conviction or a pending indictment of a crime, whether a misdemeanor or a felony, that bears upon an individual's fitness to have responsibility for the safety and well-being of children, including the following North Carolina crimes contained in any of the following Articles of Chapter 14 of the General Statutes: Article 6, Homicide; Article 7A, Rape and Kindred Offenses; Article 8, Assaults; Article 10, Kidnapping and Abduction; Article 13, Malicious Injury or Damage by Use of Explosive or Incendiary Device or Material; Article 26, Offenses Against Public Morality and Decency; Article 27, Prostitution; Article 39, Protection of Minors; Article 40, Protection of the Family; and Article 59, Public Intoxication. Such crimes also include possession or sale of drugs in violation of the North Carolina Controlled Substances Act, Article 5 of Chapter 90 of the General Statutes, and alcohol-related offenses such as sale to underage persons in violation of G.S. 18B-302 or driving while impaired in violation of G.S. 20-138.1 through G.S. 20-138.5. In addition to the North Carolina crimes listed in this subdivision, such crimes also include similar crimes under federal law or under the laws of other states.

(7) 'Department' means the Department of Human Resources.

(8) 'Family Foster Home' means the private residence of one or more individuals who permanently reside as members of the household and who provide continuing full-time foster care for a child or children who are placed there by a child placing agency or who provide continuing full-time foster care for two or more children who are unrelated to the adult members of the household by blood, marriage, guardianship or adoption.

(9) 'Foster Care' means the continuing provision of the essentials of daily living on a 24-hour basis for dependent, neglected, abused, abandoned, destitute, orphaned, undisciplined or delinquent children or other children who, due to similar problems of behavior or family conditions, are living apart from their parents, relatives, or guardians in a family foster home or residential child-care facility. The essentials of daily living include but are not limited to shelter, meals, clothing, education, recreation, and individual attention and supervision.

(9a) 'Foster Parent' means any individual who is 18 years of age or older who permanently resides in a family foster home licensed by the State and any such individual applying to provide family foster care.

(10) 'Person' means an individual, partnership, joint-stock company, trust, voluntary association, corporation, agency, or other organization or enterprise doing business in this State, whether or not for profit.

(11) 'Primarily Educational Institution' means any institution which operates one or more scholastic or vocational and technical education programs that can be offered in satisfaction of compulsory school attendance laws, in which the primary purpose of the housing and care of children is to meet their educational needs, provided such institution has complied with Article 39 of Chapter 115C of the General Statutes.

(12) 'Provisional License' means a type of license granted by the Department to a person who is temporarily unable to comply with a rule or rules adopted under this Article.

(13) 'Residential Child-Care Facility' means a staffed premise with paid or volunteer staff where children receive continuing full-time foster care. Residential child-care facility includes child-caring institutions, group homes, and children's camps which provide foster care."

Section 11A.71. G.S. 131D-10.3 reads as rewritten:

"**§ 131D-10.3. Licensure required.**

(a) No person shall operate, establish or provide foster care for children or receive and place children in residential care facilities, family foster homes, or adoptive homes without first applying for a license to the Department and submitting the required information on application forms provided by the Department.

(b) Persons licensed or seeking a license under this Article shall permit the Department access to premises and information required to determine whether the person is in compliance with licensing rules of the ~~Commission.~~ Department.

(c) Persons licensed pursuant to this Article shall be periodically reviewed by the Department to determine whether they comply with ~~Commission~~ Department rules and whether licensure shall continue.

(d) This Article shall apply to all persons intending to organize, develop or provide foster care for children or receive and place children in residential child-care facilities, family foster homes or adoptive homes irrespective of such persons having applied for or obtained a certification, registration or permit to carry on work not controlled by this Article except persons exempted in G.S. 131D-10.4.

(e) Unless revoked or modified to a provisional or suspended status, the terms of a license issued by the Department shall be in force for a period not to exceed 24 months from the date of issuance under rules adopted by the ~~Commission.~~ Department.

(f) Persons licensed or seeking a license who are temporarily unable to comply with a rule or rules may be granted a provisional license. The provisional license can be issued for a period not to exceed six months. The noncompliance with a rule or rules shall not present an immediate threat to the health and safety of the children, and the person shall have a plan approved by the Department to correct the area(s) of noncompliance within the provisional period. A provisional license for an additional period of time to meet the same area(s) of noncompliance shall not be issued.

(g) In accordance with ~~Commission~~ Department rules, a person may submit to the Department documentation of compliance with the standards of a nationally recognized accrediting body, and the Department on the basis of such accreditation may deem the person in compliance with one or more ~~Commission~~ Department licensing rules."

Section 11A.72. G.S. 131D-10.5 is repealed.

Section 11A.73. G.S. 131D-10.6 reads as rewritten:

"**§ 131D-10.6. Powers and duties of the Department.**

In addition to other powers and duties prescribed by law, the Department shall exercise the following powers and duties:

(1) Investigate applicants for licensure to determine whether they are in compliance with licensing rules adopted by the ~~Commission~~ Department and the provisions of this Article.

(2) Grant a license when an investigation shows compliance with this Article and ~~Commission~~ Department rules. The license shall be valid for a period not to exceed 24 months as specified by ~~Commission~~ Department rules and may be revoked or placed in suspended or provisional status sooner if the Department finds that licensure rules are not being met or upon a finding that the health, safety or welfare of children is threatened.

(2a) Adopt, amend, and repeal rules consistent with the laws of this State and the laws and regulations of the federal government to implement the provisions and purposes of this Article.

(2b) Issue declaratory rulings as may be needed to implement the provisions and purposes of this Article.

(2c) Adopt rules governing procedures to appeal Department decisions pursuant to this Article granting, denying, suspending or revoking licenses.

(2d) Adopt criteria for waiver of licensing rules adopted pursuant to this Article.

(3) Administer and enforce the provisions of this Article and the rules of the ~~Commission.~~ Department.

(4) Appoint hearing officers to conduct appeals pursuant to this Article.

(5) Prescribe the form in which application for licensure shall be submitted.

(6) Inspect facilities and obtain records, documents and other information necessary to determine compliance with the provisions of this Article and ~~Commission~~ Department rules.

(7) Grant, deny, suspend or revoke a license or a provisional license, in accordance with ~~Commission~~ Department rules.

(8) Grant a waiver for good cause to ~~Commission~~ Department rules that do not affect the health, safety, or welfare of children in facilities subject to licensure under this Article, in accordance with ~~Commission~~ Department rules."

Section 11A.74. G.S. 131D-11 reads as rewritten:

"**§ 131D-11. Inspection.**

The Department of Human Resources shall, as authorized by G.S. 153-51, inspect regularly all local confinement facilities as defined by G.S. 153-50(4) to determine compliance with the minimum standards for local confinement facilities adopted by the ~~Social Services Commission.~~ Department."

Section 11A.75. G.S. 131D-19 reads as rewritten:

"**§ 131D-19. Legislative intent.**

It is the intent of the General Assembly to promote the interests and well-being of the residents in adult care homes and assisted living residences licensed pursuant to G.S. 131D-2. It is the intent of the General Assembly that every resident's civil and religious liberties, including the right to independent personal decisions and knowledge of available choices, shall not be infringed and that the facility shall encourage and assist the resident in the fullest possible exercise of these rights. It is the intent of the General Assembly that rules developed by the ~~Social Services Commission~~ Department of Human Resources to implement Article 1 and Article 3 of Chapter 131D of the General Statutes encourage every resident's quality of life, autonomy, privacy, independence, respect, and dignity and provide the following:

(1) Diverse and innovative housing models that provide choices of different lifestyles that are acceptable, cost-effective, and accessible to all consumers regardless of age, disability, or financial status;

(2) A residential environment free from abuse, neglect, and exploitation;

(3) Available, affordable personal service models and individualized plans of care that are mutually agreed upon by the resident, family, and providers and that include measurable goals and outcomes;

(4) Client assessment, evaluation, and independent case management that enhance quality of life by allowing individual risk-taking and responsibility by the resident for decisions affecting daily living to the greatest degree possible based on the individual's ability; and

(5) Oversight, monitoring, and supervision by State and county governments to ensure every resident's safety and dignity and to assure that every resident's needs, including nursing and medical care needs if and when needed, are being met."

Section 11A.76. G.S. 143-318.14A(a) reads as rewritten:

"(a) Except as provided in subsection (e) below, all official meetings of commissions, committees, and standing subcommittees of the General Assembly (including, without limitation, joint committees and study committees), shall be held in open session. For the purpose of this section, the following also shall be considered to be 'commissions, committees, and standing subcommittees of the General Assembly':

(1) The Legislative Research Commission;
(2) The Legislative Services Commission;
(3) The Advisory Budget Commission;
(4) The Joint Legislative Utility Review Committee;
(5) The Joint Legislative Commission on Governmental Operations;
(6) The Joint Legislative Commission on Municipal Incorporations;
~~(7) The Commission on the Family;~~
(8) The Joint Select Committee on Low-Level Radioactive Waste;
(9) The Environmental Review Commission;
(10) The Joint Legislative Transportation Oversight Committee;
(11) The Joint Legislative Education Oversight Committee;
(12) The Joint Legislative Commission on Future Strategies for North Carolina;
(13) The Commission on Children with Special Needs;
(14) The Legislative Committee on New Licensing Boards;
(15) The Agriculture and Forestry Awareness Study Commission;
(16) The North Carolina Study Commission on Aging; and
(17) The standing Committees on Pensions and Retirement."

Section 11A.77. G.S. 143-578 reads as rewritten:

"**§ 143-578. Access to records.**

(a) The State Team, the Local Teams, and the Task Force during its existence, shall have access to all medical records, hospital records, and records maintained by this State, any county, or any local agency as necessary to carry out the purposes of this Article, including police investigations data, medical examiner investigative data, health records, mental health records, and social services records. The State Team, the Task Force, and the Local Teams shall not, as part of the reviews authorized under this Article, contact, question, or interview the child, the parent of the child, or any other family member of the child whose record is being reviewed. Any member of a Local Team may share, only in an official meeting of that Local Team, any information available to that member that the Local Team needs to carry out its duties.

(b) Meetings of the State Team and the Local Teams are not subject to the provisions of Article 33C of Chapter 143 of the General Statutes. However, the Local Teams may hold periodic public meetings to discuss, in a general manner not revealing confidential information about children and families, the findings of their reviews and their recommendations for preventive actions. Minutes of all public meetings, excluding those of executive sessions, shall be kept in compliance with Article 33C of Chapter 143 of the General Statutes. Any minutes or any other

information generated during any executive session shall be sealed from public inspection.

(c) All otherwise confidential information and records acquired by the State Team, the Local Teams, and the Task Force during its existence, in the exercise of their duties are confidential; are not subject to discovery or introduction into evidence in any proceedings; and may only be disclosed as necessary to carry out the purposes of the State Team, the Local Teams, and the Task Force. In addition, all otherwise confidential information and records created by a Local Team in the exercise of its duties are confidential; are not subject to discovery or introduction into evidence in any proceedings; and may only be disclosed as necessary to carry out the purposes of the Local Team. No member of the State Team, a Local Team, nor any person who attends a meeting of the State Team or a Local Team, may testify in any proceeding about what transpired at the meeting, about information presented at the meeting, or about opinions formed by the person as a result of the meetings. This subsection shall not, however, prohibit a person from testifying in a civil or criminal action about matters within that person's independent knowledge.

(d) Each member of a Local Team and invited participant shall sign a statement indicating an understanding of and adherence to confidentiality requirements, including the possible civil or criminal consequences of any breach of confidentiality.

(e) Cases receiving child protective services at the time of review by a Local Team shall have an entry in the child's protective services record to indicate that the case was received by that Team. Additional entry into the record shall be at the discretion of the director of the county department of social services.

(f) The ~~Social Services Commission~~ Department of Human Resources shall adopt rules to implement this section in connection with reviews conducted by Community Child Protection Teams. The Health Services Commission shall adopt rules to implement this section in connection with Local Teams that review additional child fatalities. In particular, these rules shall allow information generated by an executive session of a Local Team to be accessible for administrative or research purposes only."

Section 11A.78. G.S. 143B-138 reads as rewritten:

"**§ 143B-138. Department of Human Resources -- functions and organization.**

(a) Repealed by Session Laws 1989, c. 727, s. 5.

(b) All functions, powers, duties, and obligations heretofore vested in commissions, boards, councils, committees, or subunits of the Department of Human Resources which are not transferred by G.S. 143B-279.3 shall continue to be vested in the Department of Human Resources. These shall include, but are not limited to, the following:

(1) Division of Aging.
(2) Respite Care Program.
(3) Governor's Advisory Council on Aging.
(4) Division of Services for the Blind.
(5) Commission for the Blind.
(6) Professional Advisory Committee.

(7) Consumer and Advocacy Advisory Committee for the Blind.
(8) Division of Medical Assistance.
(9) Division of Mental Health, Developmental Disabilities, and Substance Abuse Services.
(10) Commission for Mental Health, Developmental Disabilities, and Substance Abuse Services.
(11) Division of Social Services.
(12) ~~Social Services Commission.~~
(13) Division of Facility Services.
(14) Medical Care Commission.
(15) Child Day-Care Commission.
(16) Emergency Medical Services Advisory Council.
(17) Division of Vocational Rehabilitation.
(18) Division of Youth Services.
(19) Division of Schools for the Deaf and the Blind.
(20) Board of Directors of the Governor Morehead School.
(21) Board of Directors for the North Carolina Schools for the Deaf.
(22) North Carolina Council for the Hearing Impaired.
(23) Council on Developmental Disabilities.
(24) North Carolina Council on the Holocaust.

(c) All functions, powers, duties, and obligations heretofore vested in the Economic Opportunity Division of the Department of Natural Resources and Community Development are hereby transferred to and vested in the Department of Human Resources by a Type I transfer as defined in G.S. 143A-6.

(d) The Department of Human Resources is vested with all other functions, powers, duties, and obligations as are conferred by the Constitution and laws of this State."

Section 11A.79. G.S. 143B-150.8 reads as rewritten:

"**§ 143B-150.8. Advisory Committee on Family-Centered Services; responsibilities.**

(a) The Advisory Committee on Family-Centered Services shall have the following responsibilities:

(1) Provide guidance and advice to the Secretary in the development of a plan for the statewide implementation of an inter-agency family preservation services program whereby family-centered preservation services are available to all counties by July 1, 1995, through the coordinated efforts of the Division of Social Services, Division of Youth Services, and Division of Mental Health, Developmental Disabilities, and Substance Abuse Services.
(2) Recommend standards for:
a. Oversight and development of family-centered preservation services;
b. Development and maintenance of inter-agency training and technical assistance in the provision of family-centered services;

c. Professional staff qualifications, program monitoring, and data collection;
d. Statewide evaluation of locally-based family preservation programs;
e. Coordination of funding sources for family preservation programs;
f. Procedures for awarding grants to local agencies providing family-centered services; and
g. Annual reports to the Governor and the General Assembly on the services provided and achievements of the Family Preservation Services Program.

(3) The Committee shall submit a written report not later than May 1, 1992, and not later than October 1 of each year thereafter, to the Governor, to the Joint Legislative Commission on Governmental ~~Operations, and to the Commission on the Family.~~ Operations. The report shall address the progress in implementation of the Family Preservation Services Program. The report shall include an accounting of funds expended and anticipated funding needs for full implementation of the program. The report shall also include the following information for each county participating in the Program and for the Program as a whole:
a. The number of families receiving service through the Program;
b. The number of children at risk of placement prior to initiation of service in families receiving Program services;
c. Among those children in sub-subdivision b., the number of children placed in foster care, in group homes, and in other facilities outside their homes and families;
d. The average cost of the service provided to families under the Program;
e. The estimated cost of out-of-home placement, through foster care, group homes, or other facilities, which would otherwise have been expended on behalf of children at risk of placement who successfully remain united with their families as a result of services provided through the Program. Cost estimates should be based on average length of stay and average cost of such out-of-home placements;
f. The number of children who remain unified with their families for one, two, and three years after receiving services under the Program; and
g. An overall statement of the progress of the Program and local projects during the preceding year, along with recommendations for improvements.

(b) The Committee may use funds allocated to it to contract for services to monitor local projects and for an independent evaluation of the Family Preservation Services Program."

Section 11A.80. G.S. 143B-181.52 reads as rewritten:

"**§ 143B-181.52. Rules required -- ~~Social Services Commission.~~ Department of Human Resources.**

The ~~Social Services Commission~~ Department of Human Resources shall develop rules containing State standards for special care units in rest homes for patients with Alzheimer's disease and related dementia. These standards shall include guidelines concerning the type of care provided in a special care unit, the type of resident who can be served on the unit, the ratio of residents to staff members, and the requirements for the training of staff members."

Section 11A.81. G.S. 148-33.1(f) reads as rewritten:

"(f) A prisoner who is convicted of a felony and who is granted work-release privileges shall give his work-release earnings, less standard payroll deductions required by law, to the Department of Correction. A prisoner who is convicted of a misdemeanor, is committed to a local confinement facility, and is granted work-release privileges by order of the sentencing court shall give his work-release earnings, less standard payroll deductions required by law, to the custodian of the local confinement facility. Other misdemeanants granted work-release privileges shall give their work-release earnings, less standard payroll deductions required by law, to the Department of Correction. The Department of Correction or the sentencing court, as appropriate, shall determine the amount to be deducted from a prisoner's work-release earnings to pay for the cost of the prisoner's keep and to accumulate a reasonable sum to be paid the prisoner when he is paroled or discharged from prison. The Department or sentencing court shall also determine the amount to be disbursed by the Department or clerk of court, as appropriate, for each of the following:

(1) To pay travel and other expenses of the prisoner made necessary by his employment;

(2) To provide a reasonable allowance to the prisoner for his incidental personal expenses;

(3) To make payments for the support of the prisoner's dependents in accordance with an order of a court of competent jurisdiction, or in the absence of a court order, in accordance with a determination of dependency status and need made by the local department of social services in the county of North Carolina in which such dependents reside;

(3a) To make restitution or reparation as provided in G.S. 148-33.2.

(4) To comply with an order from any court of competent jurisdiction regarding the payment of an obligation of the prisoner in connection with any judgment rendered by the court.

(5) To comply with a written request by the prisoner to withhold an amount, when the request has been granted by the Department or the sentencing court, as appropriate.

Any balance of his earnings remaining at the time the prisoner is released from prison shall be paid to him. The ~~Social Services Commission~~ Department of Human Resources is authorized to promulgate uniform rules and regulations governing the duties of county social services departments under this section."

Section 11A.82. G.S. 153A-217 reads as rewritten:

"§ 153A-217. Definitions.

Unless otherwise clearly required by the context, the words and phrases defined in this section have the meanings indicated when used in this Part:

~~(1) 'Commission' means the Social Services Commission.~~

(2) 'Secretary' means the Secretary of Human Resources.

(3) 'Department' means the Department of Human Resources.

(4) 'Governing body' means the governing body of a county or city or the policy-making body for a district or regional confinement facility.

(5) 'Local confinement facility' includes a county or city jail, a local lockup, a regional or district jail, a juvenile detention home, a detention facility for adults operated by a local government, and any other facility operated by a local government for confinement of persons awaiting trial or serving sentences except that it shall not include a county satellite jail/work release unit governed by Part 3 of Article 10 of Chapter 153A.

(6) 'Prisoner' includes any person, adult or juvenile, confined or detained in a confinement facility.

(7) 'Unit,' 'unit of local government,' or 'local government' means a county or city."

Section 11A.83. G.S. 153A-220 reads as rewritten:

"§ 153A-220. Jail and detention services.

The ~~Commission~~ Department has policy responsibility for providing and coordinating State services to local government with respect to local confinement facilities. The Department shall:

(1) Consult with and provide technical assistance to units of local government with respect to local confinement facilities.

(2) Develop minimum standards for the construction and operation of local confinement facilities.

(3) Visit and inspect local confinement facilities; advise the sheriff, jailer, governing board, and other appropriate officials as to deficiencies and recommend improvements; and submit written reports on the inspections to appropriate local officials.

(4) Review and approve plans for the construction and major modification of local confinement facilities.

(5) Repealed by Session Laws 1983, c. 745, s. 5, effective September 1, 1983.

(6) Perform any other duties that may be necessary to carry out the State's responsibilities concerning local confinement facilities."

Section 11A.84. G.S. 153A-221(c) reads as rewritten:

"(c) Before the standards or any amendments thereto may become effective, they must be approved by the ~~Commission~~ Department and the Governor. Upon becoming effective, they have the force and effect of law."

Section 11A.85. G.S. 153A-221.1 reads as rewritten:

"**§ 153A-221.1. Standards and inspections.**

The legal responsibility of the Secretary of Human Resources and the ~~Social Services Commission~~ Department for State services to county juvenile detention homes under this Article is hereby confirmed and shall include the following: development of State standards under the prescribed procedures; inspection; consultation; technical assistance; and training. Further, the legal responsibility of the Department of Human Resources is hereby expanded to give said Department the same legal responsibility as to the State-administered regional detention homes which shall be developed by the State Department of Correction as provided by G.S. 134A-37.

The Secretary of Human Resources shall develop new standards which shall be applicable to county detention homes and regional detention homes as defined by G.S. 134-36 in line with the recommendations of the report entitled Juvenile Detention in North Carolina: A Study Report (January, 1973) where practicable, and such new standards shall become effective not later than July 1, 1977.

The Secretary of Human Resources shall also develop standards under which a local jail may be approved as a holdover facility for not more than five calendar days pending placement in a juvenile detention home which meets State standards, providing the local jail is so arranged that any child placed in the holdover facility cannot converse with, see, or be seen by the adult population of the jail while in the holdover facility. The personnel responsible for the administration of a jail with an approved holdover facility shall provide close supervision of any child placed in the holdover facility for the protection of the child."

Section 11A.86. (a) Of the funds appropriated in this act to the Department of Human Resources, the sum of six million seven hundred fifty thousand dollars ($6,750,000) for the 1997-98 fiscal year and the sum of four hundred thousand dollars ($400,000) for the 1998-99 fiscal year shall be used as follows:

(1) To establish the uniform system of Work First Program, food stamp, and Medicaid recipient identification;

(2) To provide counties with workstations for biometric imaging; and

(3) To fund one program integrity worker in each county.

(b) This section becomes effective July 1, 1997.

Section 11A.87. The Department of Human Resources shall have the uniform system of Work First Program, food stamp, and Medicaid recipient identification in place and operating before June 1, 1998. Except as otherwise provided in this Part, this Part is effective when it becomes law.

5/28/97 am
attachment II

CODE NO. 97DHR-H068B

Requested by: Representatives Gardner, Cansler, Clary

MEDICAID GROWTH REDUCTION

Section @. (a) The Department of Human Resources shall develop and implement a plan that is designed to reduce the growth of Medicaid to eight percent (8%) by the year 2001. However, the Department shall not eliminate categories of eligibles or categories of services to achieve this reduction unless the General Assembly identifies specific categories of eligibles or categories of services that it wants eliminated.

(b) The Division of Medical Assistance, Department of Human Resources shall consider the following actions in developing the plan to reduce Medicaid growth:

(1) Changes in the methods of reimbursement;

(2) Changes in the method of determining or limiting inflation factors or both;

(3) Recalibration of existing methods of reimbursement;

(4) Develop more specific criteria for determining medical necessity of services;

(5) Contracting for services;

(6) Application of limits on specific numbers of slots or expenditure levels for certain services or both;

(7) Expansion of managed care; and

(8) Recommend changes in statutes to enhance the ability of the Department to manage the program.

(c) In considering the actions listed in subsection (b) of this section and in the development of the Medicaid growth reduction plan, the Division of Medical Assistance, Department of Human Resources, shall not adjust reimbursement rates to levels which would cause Medicaid providers of service to be out of compliance with certification requirements, licensure rules, or other mandated quality or safety standards.

(d) The Division of Medical Assistance, Department of Human Resources shall report to the Chairs of the House and Senate Appropriations Subcommittees on Human Resources by September 1, 1997 on the actions the Department intends to take to meet the required reductions for 1998-99. The Division of Medical Assistance shall not implement any of these actions until after the September 1, 1997 report.

(e) The Division of Medical Assistance, Department of Human Resources shall report to the Chairs of the House and Senate Appropriations Subcommittees on Human Resources by April

1 1, 1998 on the final plan to reduce Medicaid growth by eight
2 percent (8%) by the year 2001.

Conlon/accepted

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CODE NO. 97DHR-H001A

Requested by: Representative Cansler

ADULT CARE HOME BED VACANCIES

Section @. (a) From the effective date of this act until 18 months after the effective date of this act, the Department of Human Resources shall not approve the addition of any adult care home beds for any type home or facility in the State, except as follows:

(1) Plans submitted for approval prior to May 18, 1997 may continue to be processed for approval;

(2) Plans submitted for approval subsequent to May 18, 1997 may be processed for approval if the individual or organization submitting the plan demonstrates to the Department that on or before May 18, 1997, the individual or organization purchased real property, entered into a binding contract to purchase real property, or entered into a binding real property lease arrangement for the purpose of establishing or expanding an adult care home facility; or

(3) If the Department determines that the vacancy rate of adult care home beds in a county is less than fifteen percent (15%) of the total number of beds in the county as of the effective date of this act and no new beds have been approved or licensed in the county or plans submitted for approval in accordance with subdivisions (1) or (2) of this section, then the Department may accept and approve the addition of beds in that county.

(b) The Department shall study the issue of high vacancy rates for adult care home beds, including the impact of those vacancy rates on cost effectiveness and quality of care for the occupants of adult care homes and other facilities, and make recommendations with respect to the need for the establishment of a certificate of need type process for adult care homes and any change needed in the certificate of need process for any other facilities to prevent high vacancy rates for adult care home beds. The Department shall report the results of its study, along with the recommendations required by this section and any other proposals and recommendations, to either the Chairs of the House and Senate Appropriations Subcommittees on Human Resources or to a study commission established to study this issue, should

one be established, by December 1, 1997. The Department's report shall include any observations or recommendations it deems appropriate with respect to correlations between the vacancy rates and the condition or age of facilities.

Causlen/accepted

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CODE NO. 97DHR-H005A

Requested by: Representative Cansler

EFFICIENCY STUDY OF STATE PSYCHIATRIC HOSPITALS

Sec. @. (a) The Department of Human Resources shall contract with an independent consulting firm with proven experience in hospital administration/management and an understanding of the special operational issues related to psychiatric hospitals to conduct a study of the management and operation of the four State psychiatric hospitals. The purpose of the study shall be to identify areas for improved operations and efficiency. The study shall address, but not be limited to, patient-to-staff ratios, cost efficiency of the various patient units within the hospitals, and potential areas for achieving greater cost efficiencies by contracting with private providers. If the findings of the study reflect the need for specific physical plant renovations, replacements, or new construction, the report shall provide information which reflects the cost efficiencies which would result from the improvements and the time period over which the cost efficiencies would repay the cost of improvements. The study shall also consider all potential sources of revenue for the hospitals and what impact any proposed operational changes may have on that revenue and the overall need for appropriations from the General Fund. Contract services shall be paid for from funds available to the Department.

(b) The results of the study and the Department's response to the study shall be provided to the cochairs of the House Appropriations Subcommittee on Human Resources and the Fiscal Research Division not later than February 3, 1998.

Cansler/accepted

CODE NO. 97DHR-H077D

Requested by: Representatives Gardner, Clary, Easterling

CHILD WELFARE SYSTEM IMPROVEMENTS

Section @. (a) Of the funds appropriated in this act to the Department of Human Resources, Division of Social Services, the sum of two million two hundred sixty-nine thousand seven hundred fifty-two dollars($2,269,752) for the 1997-98 fiscal year and the sum of two million two hundred sixty-nine thousand seven hundred fifty-two dollars ($2,269,752) for the 1998-99 fiscal year shall be allocated to county Departments of Social Services for hiring or contracting for additional foster care and adoption worker positions created after July 1, 1997 based upon a formula which takes into consideration the number of foster care and adoption cases and the number of foster care and adoption workers necessary to meet recommended standards adopted by the North Carolina Association of County Directors of Social Services.

(b) Of the funds appropriated in this act to the Department of Human Resources, Division of Social Services, the sum of one hundred fifty-nine thousand dollars ($159,000) for the 1997-98 fiscal year and the sum of one hundred sixty-three thousand dollars ($163,000) for the 1998-99 fiscal year shall be used to establish and maintain a State Child Fatality Review Team to conduct in-depth reviews of any child fatalities which have occurred involving children and families involved with local Department of Social Services Child Protective Services in the 12 months preceding the fatality.

The purpose of these reviews shall be to implement a team approach to identifying factors which may have contributed to conditions leading to the fatality and to develop recommendations for improving coordination between local and State entities which might have avoided the threat of injury or fatality and to identify appropriate remedies. The Division of Social Services shall make public the findings and recommendations developed for each fatality reviewed relating to improving coordination between local and State entities.

The State Review Team shall include representatives of the local Department of Social Services and the State Division of Social Services, a member of the local Community Child Protection Team, a member of the local Child Fatality Prevention Team, a representative from local law enforcement, a prevention specialist, and a medical professional.

The State Review Team shall have access to all medical records, hospital records, and records maintained by this State, any county, or any local agency as necessary to carry out the purposes of this subsection, including police investigations data, medical examiner investigative data, health records, mental health records, and social services records. Any member of the State Review Team may share, only in an official meeting of the State Review Team, any information available to that member that the State Review Team needs to carry out its duties.

Meetings of the State Review Team are not subject to the provisions of Article 33C of Chapter 143 of the General Statutes. However, the State Review Team may hold periodic public meetings to discuss, in a general manner not revealing confidential information about children and families, the findings of their reviews and their recommendations for preventive actions. Minutes of all public meetings, excluding those of executive sessions, shall be kept in compliance with Article 33C of Chapter 143 of the General Statutes. Any minutes or any other information generated during any executive session shall be sealed from public inspection.

All otherwise confidential information and records acquired by the State Review Team, in the exercise of its duties are confidential; are not subject to discovery or introduction into evidence in any proceedings; and may only be disclosed as necessary to carry out the purposes of the State Review Team. In addition, all otherwise confidential information and records created by the State Review Team in the exercise of its duties are confidential; are not subject to discovery or introduction into evidence in any proceedings; and may only be disclosed as necessary to carry out the purposes of the State Review Team. No member of the State Review Team, nor any person who attends a meeting of the State Review Team, may testify in any proceeding about what transpired at the meeting, about information presented at the meeting, or about opinions formed by the person as a result of the meetings. This subsection shall not, however, prohibit a person from testifying in a civil or criminal action about matters within that person's independent knowledge.

Each member of the State Review Team and invited participant shall sign a statement indicating an understanding of and adherence to confidentiality requirements, including the possible civil or criminal consequences of any breach of confidentiality.

Funds allocated under this subsection shall be used as follows:

(1) To contract with a statewide prevention organization and a statewide medical organization to identify and orient prevention specialists and medical professionals with experience in reviewing child fatalities to serve on the State Review Team; and

(2) To pay per diem expenses for the five participants in each review who are not employed by the State Division of Social Services or county Department of Social Services.

The Division of Social Services, Department of Human Resources shall report quarterly to the cochairs of the House and Senate Appropriations Subcommittees on Human Resources and the Fiscal Research Division on the activities of the State Child Fatality Review Team and shall provide a final report to the House and Senate Appropriations Subcommittees on Human Resources within one week of the convening of the 1997 General Assembly, Regular Session 1998, including recommendations for changes in the statewide child protection system.

Gardner/accepted

8

CODE NO. 97DHR-H078

Requested by: Representative Aldridge

ADOLESCENT PARENTING PROGRAM

Section @. Any local program receiving State Adolescent Parenting Program funds shall comply with the objectives for instruction contained in G.S. 115C-81(e1)(3) and the limitations on instruction contained in G.S. 115C-81(e1)(8).

Aldridge moves
defeated

CODE NO. 97DHR-H065B

Requested by: Representatives Gardner, Cansler, Clary, Earle

IN-HOME SPECIAL ASSISTANCE DEMONSTRATION PROJECT

Sec. @. (a) Notwithstanding any law to the contrary, the Department of Human Resources, Division of Social Services, in consultation with the Department of Human Resources, Division of Aging, shall develop and implement an In-Home Special Assistance Demonstration Project. The purpose of the project is to determine the feasibility of using State and county funds to provide financial assistance to low-income elderly or disabled adults who are otherwise eligible for Special Assistance under G.S. 108A-41(b) but who would rather live at home than in an adult care home and whose daily care needs can be adequately met through in-home services.

(b) The Department shall select five counties to participate in the project. Counties desiring to participate shall apply to the Department for selection. The Department shall provide information to all counties about the scope and duration of the project, the procedure for applying to be a participating county, and what will be required of participating counties. The counties selected to participate in the project shall be representative of the State as a whole. In selecting the participating counties, the Department shall consider each applicant county's:

(1) Total population;
(2) Regional location;
(3) Urban or rural composition;
(4) Percentage of county population eligible for Special Assistance services;
(5) Ability to offer case management services to each client selected for the project;
(6) Ongoing support system for the aging and disabled; and
(7) Ability to effectively and efficiently administer the project.

(c) Individuals who are eligible for Special Assistance under G.S. 108A-41(b) and who reside in a participating county shall be eligible for Project assistance. However, each participating county shall allocate Project funds for not more than 40 eligible individuals. Funds used for Project assistance and administration shall be matched State-County in the same

10

proportion as under the State-County Special Assistance for Adults Program.

(d) The Department shall:

(1) Monitor local administration to ensure that adequate case management services are provided to Project recipients and that the health, safety, and well-being of Project recipients are being protected;

(2) Oversee approval of services purchased by Project recipients;

(3) Collect information about the service providers and types of services purchased by Project funds; and

(4) Obtain comprehensive data and information to enable the State to anticipate, plan for, and provide in-home services to its elderly and disabled citizens in the future.

(e) The Department shall set a monthly budget for each eligible individual participating in the project which shall not exceed the statewide average monthly payment for Special Assistance plus the maximum monthly payment allowed for Special Assistance recipients receiving basic or enhanced Medicaid personal care services. Project participants who are Medicaid eligible shall be entitled to receive any and all Medicaid-funded services for which they are eligible.

(f) The North Carolina Study Commission on Aging, with assistance from the Division of Aging, Department of Human Resources, shall contract for professional services to evaluate the In-Home Special Assistance Demonstration Project. The commission shall determine the scope of the evaluation and shall require the contractor to provide written reports to the Commission on July 1, 1998, and January 30, 1999.

The Department shall report to the North Carolina Study Commission on Aging, to the Cochairs of the House of Representatives and Senate Appropriations Subcommittees on Human Resources, and to the Fiscal Research Division on October 1, 1997, March 1, 1998, and October 1, 1998, on the progress of Project development and implementation. The Department's October, 1998 report shall include recommendations on whether the Project should be continued and, if so, the extent to which it should be continued, why it should be continued, and the costs associated with continuing the Project. If the Department recommends that the Project not be continued, it shall provide the reasons for the recommendation.

(g) This section becomes effective July 1, 1997 and expires June 30, 1999. Nothing in this section shall be construed as creating an entitlement to Special Assistance funds or services under the In-Home Special Assistance Demonstration Project created by this section.

Adams/accepted

12

5/28/97
a.m.

Attachment #2

CODE NO. 97DHR-H075A

Requested by: Representative ~~C. Wilson~~ Clary

STATE MEDICAL FACILITIES PLAN/RULES

Sec. @. (a) G.S. 131E-177 reads as rewritten:

" § 131E-177. Department of Human Resources is designated State Health Planning and Development Agency; powers and duties.

The Department of Human Resources is designated as the State Health Planning and Development Agency for the State of North Carolina, and ~~is empowered to~~ shall exercise the following powers and duties:

~~(1) To establish standards and criteria or plans required to carry out the provisions and purposes of this Article and to adopt rules pursuant to Chapter 150B of the General Statutes, to carry out the purposes and provisions of this Article;~~

(2) Adopt, amend, and repeal such rules and regulations, consistent with the laws of this State, as may be required by the federal government for grants-in-aid for health service facilities and health planning which may be made available by the federal government. This section shall be liberally construed in order that the State and its citizens may benefit from such grants-in-aid;

(3) Define, by rule, procedures for submission of periodic reports by persons or health service facilities subject to agency review under this Article;

(4) Develop policy, criteria, and standards for health service facilities ~~planning;~~ planning. The Department shall conduct statewide registration and inventories of and make determinations of need for health service facilities, health services as specified in G.S. 131E-176(16)f., and equipment as specified in G.S. 131E-176(16)f1., which shall include consideration of adequate geographic location of equipment and ~~services;~~ services, and develop a State Medical Facilities ~~Plan;~~ Plan. The Department shall adopt rules, pursuant to Chapter 150B of the General Statutes, to implement the provisions of the State Medical Facilities Plan and any other need determinations, criteria, plans, or

standards of any type before the Department may apply them to project reviews;

~~(5) Implement, by rule, criteria for project review;~~

(6) Have the power to grant, deny, or withdraw a certificate of need and to impose such sanctions as are provided for by this Article;

(7) Solicit, accept, hold and administer on behalf of the State any grants or bequests of money, securities or property to the Department for use by the Department in the administration of this Article; and

(8) Repealed by Session Laws 1987, c. 511, s. 1.

(9) Establish and collect fees for submitting applications for certificates of need. The fee schedule established should generate sufficient revenue to offset the entire cost of the certificate of need program. This fee may not exceed seventeen thousand five hundred dollars ($17,500) and may not be less than two thousand dollars ($2,000). Fees collected under this subdivision shall be credited to the General Fund as nontax revenue.

(10) The authority to review all records in any recording medium of any person or health service facility subject to agency review under this Article which pertain to construction and acquisition activities, staffing or costs and charges for patient care, including but not limited to, construction contracts, architectural contracts, consultant contracts, purchase orders, cancelled checks, accounting and financial records, debt instruments, loan and security agreements, staffing records, utilization statistics and any other records the Department deems to be reasonably necessary to determine compliance with this Article.

The Secretary of Human Resources shall have final decision-making authority with regard to all functions described in this section."

(b) This section becomes effective October 1, 1997.

Adams/adopted

VISITOR REGISTRATION SHEET

Human Resources Appropriations May 28 1997

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

	NAME	FIRM OR AGENCY
1.	C. L. Cochran	UCPNC - Coalition 2001
2.	Clifton Rudd	Commission of Indian Affairs
3.	AL DEITCH	YOUTH ADVOCACY + INVOLVEMENT OFFICE
4.	S Simmons	NC Equity
5.	Sharnese Kanzope	DSS
6.	Kevin Fitzgerald	DSS
7.	Leza Aycock	DSS
8.	Mary L. Smith	NASW-NC
9.	Ho Stem	DMH/DD/SAS
10.	Wayne Williams	OSBM
12.	Gretchen Jamison	NCCHH
22.	Beckie Street	PPAB
23.	Tommy Worth	CHS
24.	NELS ROSELAND	OSBM
25.	Bobby Woodard	OSBM
26.	Steve Shabes	Jordan Price Wall Gray & Jones
27.	Aaron Hirsch	NC Assn of Co. Directors of Soc Services
28.	Paula A. Wolf	Covenant w/ NC's Children
29.	Douglas Blum	United Way of NC
30.	Megan Snyster	Easter Seals
31.	John Rupp	NCFPC

VISITOR REGISTRATION SHEET

Human Resources Appropriations May 28, 1997

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

	NAME	FIRM OR AGENCY
1.	Tom Scharnagel	NCHFA
2.	Joanie Shepard	DHR/DFS
3.	Jim Lipchurch	DHR/DFS
4.	[illegible]	DHR/DFS
5.	Lynda McDaniel	DHR/DFS
6.	Roslyn Savitt	NC Child Care Coalition
7.	[illegible]	DMHDDSAS
8.	[illegible]	" "
9.	Chuck Harris	DHR DSS
10.	[illegible]	" "
11.	Will Lindsay	DHR- Budget Analysis
22.	Curt Williams	Gov's Office
23.	[illegible]	DHR
24.	[illegible]	DHR
25.	[illegible]	DHR
26.	[illegible]	OSBM
27.	John Baggett	MH/DD/SAS
28.	Terry Stelle	MH/DD/SAS
29.	[illegible]	Joint Fiscal Comm
30.	[illegible]	DCAF - C-2001
31.	[illegible]	DVRS

VISITOR REGISTRATION SHEET

Human Resources Appropriations May 28 1997

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

	NAME	FIRM OR AGENCY
1.	[signature]	NCAHC
2.	Evelyn Blackmore	NCHA
3.		
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APPROPRIATIONS SUBCOMMITTEE ON HUMAN RESOURCES

Minutes
May 29, 1997
8:30 a.m.

Representative Charlotte Gardner presided over the Appropriations Subcommittee on Human Resources meeting held on May 29, 1997 at 8:30 a.m. in Room 424. The following members were present:

Representative Gardner	Representative Hurley
Representative Clary	Representative Adams
Representative Nye	Representative Watson
Representative Aldridge	Representative Alexander, ex.

Pages, J.R. Britt of Bladen County and Amanda Brisco of Forsyth County, were introduced by Representative Gardner.

The Staff presented the Department of Human Resources Block Grants, FY97-98 and these proposals are printed in Attachment #1:

1. Karen Hammonds-Blanks of Fiscal Staff presented the Community Services Block Grant and said it was recommended by the Department of Human Resources (DHR). It was accepted by the committee members.

2. Carol Shaw presented the Temporary Assistance for Needy Families Block Grant (TANF). Money will not be transferred from TANF to Smart Start. Ms. Shaw pointed out on Page 8, subsection (o), Lines 10-33, language dealing with contingency of federal government reducing funds or increasing funds. This proposal was accepted.

3. Mary Ellen Sylvester presented the Child Care-Related Block Grants and it was accepted by the committee.

4. Karen Hammonds-Blanks presented the Social Services Block Grant (SSBG), page 7. She pointed out that Item #23 was a new allocation of $2.2. million which provides for for newly created child welfare workers in local social service agencies and a special child adoption fund. Representative Nye requested the provision on item #24 which Ms. Hammonds-Blanks will furnish him. Representative Aldridge asked about TANF funds being used in the Child Care Development Block Grant. The Block Grant was approved.

5. The Substance Abuse Prevention and Treatment Block Grant was presented by Karen Hamonds-Blanks. Attachment #2 explains the pilot program (MAJORS) that Senator Martin proposed and is in the Senate budget. The Block Grant allocation was approved.

Karen Hammonds-Blanks explained the special provisions that support the allocations in the budget beginning on page 5 of the special provision section of the handout (Attachment #1). She pointed out on page 6 under subsection (e) that "no local matching requirement" language needs to be added, and the staff attorneys will do that with the permission of the committee.

Mary Ellen presented the Child Care provisions.

Representative Aldridge requested information about family planning programs in DENHR, and Representative Gardner requested the statistics on out-wedlock births.

Representative Gardner asked for approval of the Block Grant Special Provisions, and they were accepted.

Representative Nye asked that the special provision on the State Medical Facility Rules that passed yesterday be revisited by the committee. Representative Gardner did not entertain a motion by Representative Nye on this proposal because there would not be an opportunity for the proponents to respond. The time passed when a vote could be taken. The meeting was adjourned.

Barbara R. Hocutt
Barbara R. Hocutt, Committee Clerk

Charlotte Gardner
Representative Charlotte Gardner, Co-Chair

CAG:brh

5/29/97 a.4

House Subcommittee on Human Resources Appropriations

Department of Human Resources Block Grants
FY97/98

1. Community Services Block Grant accepted
2. Temporary Assistance for Needy Families (TANF) accepted
3. Child Care-Related Block Grants (P.6) accepted
4. Social Services Block Grant (SSBG) (P.7) accepted
5. Substance Abuse Prevention and Treatment Block Grant (P.8) accepted

Fiscal Research Division *May 29, 1997*

DEPARTMENT OF HUMAN RESOURCES
OFFICE OF ECONOMIC OPPORTUNITY

COMMUNITY SERVICES BLOCK GRANT (CSBG)

For the State fiscal year 1997-98 the funding level is estimated to be $12,828,926.

GENERAL DESCRIPTION

The Community Services Block Grant Program makes federal funds available to states to provide a range of services designed to assist low-income persons attain the skills, knowledge, and motivation necessary to achieve self-sufficiency.

The primary providers of services under this grant, as required by federal law, are the thirty-six Community Action Agencies (CAAs) in the state. Other grantees are seven Limited Purpose Agencies (LPAs) who were recipients of similar funds prior to the inception of the Community Services Block Grant Program. CAAs operate programs under the Community Services Block Grant in coordination with other federal, state, and local programs such as Head Start, Emergency Homeless, Weatherization, and Section 8 Rental Assistance.

Community Services Block Grant funds are used to provide a wide variety of services in local communities to serve identified needs of poor families. Programs allowed under the Community Services Block Grant Act are those which provide activities designed to assist low-income participants including the elderly poor:

- to secure and retain meaningful employment;
- to attain an adequate education;
- to make better use of available income;
- to obtain and maintain adequate housing and a suitable living environment;
- to obtain emergency assistance through loans or grants to meet immediate and urgent individual and family needs, including the need for health services, nutritious food, housing, and employment-related assistance;
- to remove obstacles and solve problems which block the achievement of self sufficiency;
- to achieve greater participation in the affairs of the community; and
- to make more effective use of other programs related to promoting the well being of the low-income population.

The specific services operated in each local community are determined by the local agency as a result of an assessment of the needs of low-income individuals and families in their service area which is used to develop a multi-year plan for services.

As required by the Community Services Block Grant Act, ninety per cent of the funds received are distributed to the thirty-six Community Action Agencies (CAAs) located throughout the state. Five percent, which is the maximum allowed by federal law, is used by the Department to administer the Program. The remainder is used to fund seven non-profit organizations known as Limited Purpose Agencies (LPAs).

Approximately twenty thousand low-income individuals are served annually under the program.

RECOMMENDATIONS	ALLOCATION
1. Allocate $641,446 to the Department of Human Resources to administer the grant. Staff renders technical assistance and monitors the Community Action Agencies and Limited Purpose Agencies for compliance with federal laws and regulations.	$641,446
2. Allocate $11,546,034 to the 36 Community Action Agencies (CAAs) which serve 86 counties for the purpose of providing administrative costs and to assist low-income families with housing, emergency assistance, education, energy, nutrition, income management, information and referral, and outreach. Federal rules require that 90% of the grant be allocated to CAAs.	$11,546,034
3. Allocate the remaining 5% of the grant in the amount of $641,446 to Limited Purpose Agencies which are agencies that address a specific need or population. The allocation and agency is as follows: - Telamon which provides assistance to seasonal and migrant farm workers ($80,181) - Low Income Housing Development Corporation (LIHDC) which assists non-profit agencies in packaging loans for housing construction and rehabilitation ($98,141) - N.C. Rural Fund for Development (NCRFD) which provides technical assistance to credit unions and cooperatives which serve low-income individuals and families ($233,486) - N.C. Senior Citizens Federation which sponsors statewide activities for low-income senior citizens ($116,743)	$641,446

- Western Economic Development Organization (WEDO) which assists organizations serving low-income and handicapped individuals secure manufacturing contracts ($61,579)
- United Senior Services which provides activity programs for senior citizens in Craven County ($24,375)
- N.C. Commission of Indian Affairs which provides programs for low-income Native Americans in the state in coordination with local tribal organizations ($26,941)

TOTAL FUNDING SFY 1997-98	$12,828,926
SOURCE OF FUNDS:	
BLOCK GRANT FUND FFY 1997	$3,207,232
BLOCK GRANT FUND FFY 1998	$9,621,694

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BLOCK GRANT (TANF)

Item Numbe	Title	DHR SFY 1997-98	Senate SFY 1997-98	Proposed House SFY 1997-98
1	Work First Cash Assistance	$262,747,194	$262,747,194	$0
2	Block Grants to County DSSs (partial funding)	$19,281,882	$19,281,882	$282,029,076
3	Subsidies to replace state funds used for Smart Start and other expansion	$27,958,825	$23,276,545	$0
4	Transfer to the Child Care & Development Fund for the Development of Child Care Centers at Community Colleges	$0	$0	$600,000
5	Transfer to the Child Development Fund for Work First Day Care Subsidies	$3,758,011	$3,758,011	$5,599,759
6	Allocation to the Division of Mental Health for Work First Substance Abuse Treatment and Testing Services	$1,000,000	$1,000,000	$3,000,000
7	Allocation to the Division of Social Services for Evaluation	$700,000	$700,000	$300,000
8	Allocation to the Division of Social Services for Community College Collaboration	$500,000	$500,000	$0
9	Allocation to Division of Social Services for Staff Development	$500,000	$500,000	$500,000
10	Transfer to the Social Service Block Grant for Maternal Outreach Worker Program	$400,000	$0	$0
11	Allocation to the Department of Environment, Health, and Natural Resources for the reduction of Out-of-Wedlock Births	$0	$1,600,000	$1,600,000
12	Allocation to the Division of Mental Health for screening, diagnostic, and counseling services related to substance abuse for Work First participants	$0	$2,300,000	$2,300,000
13	Transfer to the Social Service Block Grant for DHR/AOC juvenile substance abuse pilots	$0	$1,182,280	$1,182,280
14	Transfer to the Social Services Block Grant for the Special Children Adoption Fund	$0	$0	$300,000
15	Carry-forward to FY 1998-99	$565,203	$565,203	$0
16	TANF Reserve Fund	$0	$0	$20,000,000
	Total Expenditures	**$317,411,115**	**$317,411,115**	**$317,411,115**

Note: The House proposal increases the transfer to the Child Development Fund by $1,841,748 because a reduction of $1,841,748 has been made in SSBG funding for child care to fund child welfare system improvements.

Gardner / accepted

Child Care-Related Block Grants

Child Care and Development Block Grant	**Recommended**	**Proposed**
Child Care Services	$17,581,167	$ 17,581,167
Administrative Expenses and Quality and Availability Initiatives	$ 488,366	$ 488,366
Before and After School Child Care Programs and Early Childhood Development Programs	$ 1,750,000	$ 1,750,000
Quality Improvement Activities	$ 740,000	$ 740,000
Total	$ 20,559,533	$20,559,533

Child Care and Development Fund Block Grant		
Child Care Subsidies	$ 99,845,334	$ 99,845,334
Quality and Availability Initiatives	$ 4,388,806	$ 4,388,806
Administrative Expenses	$ 5,486,007	$ 5,486,007
Transfer from TANF Block Grant for Child Care Subsidies and Support	$ 31,716,836	$ 5,599,759
Transfer from TANF Block Grant for the Development of Child Care Centers at Community Colleges	$ 0	$ 600,000
Total	$141,436,983	$115,919,906

5/27/97

Department of Human Resources

SOCIAL SERVICES BLOCK GRANT
FY97/98

DEPARTMENT Division Program/Service	Certified FY96/97 Allocation	DHR Proposed FY97/98 Allocations	Proposed Change FY97-FY98	% Change FY97-FY98	HOUSE Proposed FY97/98 Allocations	HOUSE Proposed Change FY97-FY98	% Change FY97-FY98
1. Local DSS's-Basic/Mandatory Ser	$30,395,663	$ 31,307,047	$ 911,384	3.00%	$ 30,395,663	$ -	0.0%
2. Local DSS's - In Home Services	$ 2,101,113	$ 2,101,113	$ -	0.00%	$ 2,101,113	$ -	0.0%
3. DMH/DD/SAS - Area Programs	$ 4,764,124	$ 4,886,921	$ 122,797	2.58%	$ 4,764,124	$ -	0.0%
4. Div of Blind Services-Direct Ser	$ 3,205,711	$ 3,205,711	$ -	0.00%	$ 3,205,711	$ -	0.0%
5. DYS -One-on-One/Camp Woodsen	$ 950,674	$ 967,153	$ 16,479	1.73%	$ 950,674	$ -	0.0%
6. DFS-Consult./Adult Care Homes	$ 343,341	$ 426,836	$ 83,495	24.32%	$ 343,341	$ -	0.0%
7. Div of Aging - Respite/In Home/Trng	$ 1,915,234	$ 1,926,543	$ 11,309	0.59%	$ 1,915,234	$ -	0.0%
8. DCD - Day Care Subsidy	$ 15,694,900	$ 15,694,900	$ -	0.00%	$ 13,853,152	$ (1,841,748)	-11.7%
9. DSS-State Administration/Staff	$ 1,954,237	$ 1,870,742	$ (83,495)	-4.27%	$ 1,954,237	$ -	0.0%
10. DVR - Easter Seals	$ 116,779	$ 120,742	$ 3,963	3.39%	$ 116,779	$ -	0.0%
11. DVR - United Cerebral Palsy	$ 71,484	$ 73,910	$ 2,426	3.39%	$ 71,484	$ -	0.0%
12. DOA - Com on Indian Affairs	$ 203,198	$ 203,198	$ -	0.00%	$ 203,198	$ -	0.0%
13. DSS - UNC CARES (Training)	$ 247,920	$ 247,920	$ -	0.00%	$ 247,920	$ -	0.0%
14. DSS - UNC-CH Child Medical Eval.	$ 238,321	$ 238,321	$ -	0.00%	$ 238,321	$ -	0.0%
15. DEHNR-MCH Grant Supplement	$ -	$ 341,703	$ 341,703	0.00%	$ -	$ -	0.0%
16. DSS - Adult Day Care Services	$ 599,551	$ 599,551	$ -	0.00%	$ 2,255,301	$ 1,655,750	276.2%
17. DSS - Child Abuse/Perm. Planning	$ 394,841	$ 394,841	$ -	0.00%	$ 394,841	$ -	0.0%
18. DEHNR-Adolescent Preg Prev	$ 239,261	$ 271,573	$ 32,312	13.50%	$ 239,261	$ -	0.0%
19. DFS-Emergency Medical Services	$ 213,128	$ 280,984	$ 67,856	31.84%	$ 213,128	$ -	0.0%
20. DEHNR - AIDS Ed. Supplement	$ 66,939	$ 81,001	$ 14,062	21.01%	$ 66,939	$ -	0.0%
21. Sec's Office-OEO Outreach for Srs.	$ 41,302	$ 42,700	$ 1,398	3.38%	$ 41,302	$ -	0.0%
22. DEHNR-Maternal Outreach Wker.	$ -	$ 200,000	$ 200,000		$ -	$ -	0.0%
23. DSS - Child Welfare Improvements	$ -	$ -	$ -	0.00%	$ 2,211,687	$ 2,211,687	0.0%
24. DMH - SAS for Juvenile Offenders	$ -	$ -	$ -	0.00%	$ 1,182,280	$ 1,182,280	0.0%
TOTAL	$63,757,721	$ 65,483,410	$ 1,725,689	2.71%	$ 66,965,690	$ 3,207,969	5.0%

Note: $66,965,690 results from a $1,482,280 TANF Block Grant Transfer & $1,725,689 increase in SSBG

*Item #8 was reduced to reflect a $1,841,748 transfer of TANF funds into the Child Care Block Grant

*Item #16 was increased as a result of freed up SSBG funds

*Item #23 includes a $300,000 transfer from TANF

SUBSTANCE ABUSE PREVENTION & TREATMENT
BLOCK GRANT ALLOCATIONS FY97/98

Division of Mental Health Program/Service	Certified FY96/97 Allocation	DHR Proposed FY97/98 Allocations	HOUSE Proposed FY97/98 Allocations
1. Adult Substance Abuse	$ 10,935,939	$ 10,935,939	$ 10,935,939
2. Child Substance Abuse	$ 5,964,093	$ 5,964,093	$ 5,964,093
3. Women's Substance Abuse	$ 5,060,076	$ 5,060,076	$ 5,060,076
4. IV Drug	$ 4,836,407	$ 4,836,407	$ 4,836,407
5. Non-SSI Recipient Services	$ -	$ 1,123,757	$ 1,123,757
6. Gender Specific/TANF Support	$ -	$ 1,193,811	$ 893,811
7. Juvenile Services & SA Pilot	$ -	$ -	$ 300,000
8. Administration	$ 1,841,742	$ 1,841,742	$ 1,841,742
TOTAL	$ 28,638,257	$ 30,955,825	$ 30,955,825

House Subcommittee on Human Resource Appropriations

Proposed Department of Human Resources Block Grant Special Provision FY97/98

May 29, 1997

Gardner / accepted

May 29, 1997

CODE NO. 97DHR-H085

Requested by: Representatives Gardner, Cansler, Clary

DHR BLOCK GRANT PROVISIONS

Section @. (a) Appropriations from federal block grant funds are made for the fiscal year ending June 30, 1998, according to the following schedule:

COMMUNITY SERVICES BLOCK GRANT	
01. Community Action Agencies	$ 11,546,034
02. Limited Purpose Agencies	641,446
03. Department of Human Resources to administer and monitor the activities of the Community Services Block Grant	641,446
TOTAL COMMUNITY SERVICES BLOCK GRANT	$ 12,828,926
SOCIAL SERVICES BLOCK GRANT	
01. County departments of social services	$ 31,121,352
02. Allocation for in-home services provided by county departments of social services	2,101,113
03. Division of Mental Health, Developmental Disabilities, and Substance Abuse Services	4,764,124
04. Division of Services for the Blind	3,205,711
05. Division of Youth Services	950,674
06. Division of Facility Services	343,341
07. Division of Aging - Home and Community Care Block Grant	1,915,234
08. Day care services	13,853,152
09. Division of Vocational Rehabilitation - United Cerebral Palsy	71,484
10. State administration	1,954,237
11. Child Medical Evaluation Program	238,321

12. Adult day care services	2,255,301
13. County departments of social services for child abuse/prevention and permanency planning	394,841
14. Transfer to Preventive Health Block Grant for emergency medical services	213,128
15. Allocation to Preventive Health Block Grant for AIDS education, counseling, and testing	66,939
16. Transfer to Department of Administration for the N.C. Commission of Indian Affairs In-Home Services Program for the elderly	203,198
17. Division of Vocational Rehabilitation - Easter Seals Society	116,779
18. UNC-CH CARES Program for training and consultation services	247,920
19. Transfer to Department of Environment, Health, and Natural Resources for the Adolescent Pregnancy Prevention Program	239,261
20. Office of the Secretary - Office of Economic Opportunity for N.C. Senior Citizens' Federation for outreach services to low-income elderly persons	41,302
21. County departments of social services for child welfare improvements	2,211,687
22. Division of Mental Health, Developmental Disabilities, and Substance Abuse Services for juvenile offenders	1,182,280
TOTAL SOCIAL SERVICES BLOCK GRANT	$ 66,965,690
LOW-INCOME ENERGY BLOCK GRANT	
01. Energy Assistance Programs	$ 6,284,055
02. Crisis Intervention	6,393,661
03. Administration	1,428,386
04. Weatherization Program	4,128,479
05. Indian Affairs	33,022

TOTAL LOW-INCOME ENERGY BLOCK GRANT	$ 18,267,603
MENTAL HEALTH SERVICES BLOCK GRANT	
01. Provision of community-based services in accordance with the Mental Health Study Commission's Adult Severe and Persistently Mentally Ill Plan	$ 3,794,179
02. Provision of community-based services in accordance with the Mental Health Study Commission's Child Mental Health Plan	1,819,931
03. Administration	624,231
TOTAL MENTAL HEALTH SERVICES BLOCK GRANT	$ 6,238,341
SUBSTANCE ABUSE PREVENTION AND TREATMENT BLOCK GRANT	
01. Provision of community-based alcohol and drug abuse services, tuberculosis services, and services provided by the Alcohol, Drug Abuse Treatment Centers	$ 10,935,939
02. Continuation of services for pregnant women and women with dependent children	5,060,076
03. Continuation and expansion of services to IV drug abusers and others at risk for HIV diseases	4,836,407
04. Provision of services in accordance with the Mental Health Study Commission's Child and Adolescent Alcohol and Other Drug Abuse Plan	5,964,093
05. Service for former SSI recipients	1,123,757
06. Gender specific services and Employee Assistance Program services for Work First recipients	893,811
07. Juvenile offender services and substance abuse pilot	300,000
08. Administration	1,841,742
TOTAL SUBSTANCE ABUSE PREVENTION	

AND TREATMENT BLOCK GRANT	$ 30,955,825
CHILD CARE AND DEVELOPMENT BLOCK GRANT	
01. Child care services	$ 17,581,167
02. Administrative expenses and quality and availability initiatives	488,366
03. Before and After School Child Care Programs and Early Childhood Development Programs	1,750,000
04. Quality improvement activities	740,000
TOTAL CHILD CARE AND DEVELOPMENT BLOCK GRANT	$ 20,559,533
CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT	
01. Child care subsidies	$ 99,845,334
02. Quality and availability initiatives	4,388,806
03. Administrative expenses	5,486,007
04. Transfer from TANF Block Grant for child care subsidies and support	5,599,759
05. Transfer from TANF Block Grant for the development of child care centers at community colleges	600,000
TOTAL CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT	$115,919,906
TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF) BLOCK GRANT	
01. Block Grants to county departments of social services (partial funding)	$282,029,076
02. Transfer to Child Care and Development Fund for development of child care centers at community colleges	600,000
03. Transfer to the Child Care and Development Fund for Work First child care subsidies	5,599,759
04. Allocation to the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services for Work First substance abuse treatment and testing services	3,000,000

05. Allocation to the Division of Social Services for evaluation	300,000
06. Allocation to the Division of Social Services for State and county staff development	500,000
07. Allocation to the Department of Environment, Health, and Natural Resources for the reduction of out-of-wedlock births	1,600,000
08. Allocation to the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services for screening, diagnostic, and counseling services related to substance abuse services for Work First participants	2,300,000
09. Transfer to the Social Services Block Grant for substance abuse services for juveniles	1,182,280
10. Transfer to the Social Services Block Grant to establish the Special Children Adoption Fund	300,000
11. TANF Reserve Fund	20,000,000
TOTAL TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF) BLOCK GRANT	$317,411,115

(b) Decreases in Federal Fund Availability Except the TANF Block Grant

If federal funds are reduced below the amounts specified above after the effective date of this act, then every program in each of the federal block grants listed above shall be reduced equally to total the reduction in federal funds.

(c) Increases in Federal Fund Availability - Block Grant Funds Except the Social Services Block Grant, the TANF Block Grant, and the Child Care and Development Fund Block Grant

Any block grant funds appropriated by the United States Congress in addition to the funds specified in this act shall be expended by the Department of Human Resources, provided that the resultant increases are in accordance with federal block grant requirements, by allocating the additional funds for direct services only among the programs funded in this section.

(d) Increases in Federal Fund Availability - Social Services Block Grant

Any block grant funds appropriated by the United States Congress in addition to the funds specified in this act shall be expended by the Department of Human Resources, provided the resultant increases are in accordance with federal block grant requirements, as follows:

(1) Fifty percent (50%) of the funds shall be allocated to the county departments of social services for mandatory services; and

(2) The remaining fifty percent (50%) shall be allocated for direct services only among the programs funded in this section.

All these budgeted increases shall be reported to the members of the House and Senate Appropriations Subcommittees on Human Resources and to the Fiscal Research Division.

(e) Of the funds appropriated in this act to the Department of Human Resources, Division of Social Services, the sum of one million three hundred thousand dollars ($1,300,000) for the 1997-98 fiscal year and the sum of one million three hundred thousand dollars ($1,300,000) for the 1998-99 fiscal year shall be allocated to county Departments of Social Services for hiring or contracting for additional child protective services, foster care, and adoption worker positions created after July 1, 1997, based upon a formula which takes into consideration the number of child protective services, foster care, and adoption cases, and child protective services, foster care, and adoption workers necessary to meet recommended standards adopted by the North Carolina Association of County Directors of Social Services.

(f) There is established in the Department of Human Resources, Division of Social Services, a Special Children Adoption Fund. The purpose of the fund is to provide funds for adoptive placements of children described in G.S. 108A-50 in foster care above those funds that participating licensed public and private adoption agencies can provide with existing resources.

Of the funds appropriated in this act to the Department of Human Resources, Special Children Adoption Fund, the sum of nine hundred eleven thousand six hundred eighty-seven dollars ($911,687) for the 1997-98 fiscal year and the sum of nine hundred eleven thousand six hundred eighty-seven dollars ($911,687) for the 1998-99 fiscal year shall be used to implement this subsection. Of the monies in the Special Children Adoption Fund, the Department shall award a minimum of four hundred thousand dollars ($400,000) to licensed private adoption agencies. The Department of Human Resources, Division of Social Services, in consultation with the North Carolina Association of County Directors of Social Services and representatives of licensed private adoption agencies, shall develop guidelines for the awarding of funds to licensed public and private adoption agencies upon successful placement of children described in G.S. 108A-50 in foster care. No local match shall be required as a condition for receipt of these funds. Funds not expended at the end of a fiscal year shall not revert but shall remain in the fund for the purpose enumerated in this subsection.

The Department of Human Resources, Division of Social Services shall report by May 1, 1998 to the House and Senate Appropriations Subcommittees on Human Resources on the use of

funds allocated in this subsection and the number of children placed.

(g) The Department of Human Resources, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, shall consult with the Department of Human Resources, Division of Youth Services, the Administrative Office of the Courts, local juvenile court counselors, and local area mental health programs on the expenditure of the funds allocated to the Department of Human Resources from the Social Services Block Grant to ensure that those funds are used for substance abuse services for juveniles.

(h) Funding for the Weatherization Program from the Low-Income Energy Block Grant is contingent upon approval of a federal waiver to increase funding. In the event the federal waiver is not approved, the funds appropriated for the Weatherization Program will be reduced to fifteen percent (15%) of the Block Grant, and excess funds will be transferred to the Crisis Intervention Program.

(i) Increases in Federal Fund Availability - Child Care and Development Fund Block Grant

The Child Care and Development Fund Block Grant funds appropriated by the United States Congress in addition to the funds specified in this act shall be expended by the Department of Human Resources, provided the resultant increases are in accordance with federal block grant requirements and are within the scope of the block grant plan approved by the General Assembly.

(j) If funds appropriated through the Child Care and Development Fund, which includes the Child Care and Development Block Grant, for any program cannot be obligated or spent in that program within the obligation or liquidation periods allowed by the federal grants, the Department may move funds to other programs, in accordance with federal requirements of the grant, in order to use the federal funds fully.

(k) Of the funds appropriated in this act to the Department of Human Resources, Division of Child Development, the sum of six hundred thousand dollars ($600,000) for fiscal year 1997-98 shall be transferred to the Department of Community Colleges to establish three model early childhood education centers in three community colleges, one in the eastern part of the State, one in the western part of the State, and one in the Piedmont.

(l) The Department of Environment, Health, and Natural Resources and the county departments of public health shall consult with the Department of Human Resources and the county departments of social services on the expenditure of the funds allocated to the Department of Environment, Health, and Natural Resources from the Temporary Assistance to Needy Families Block Grant to ensure that those funds are used for meeting the goal of reducing out-of-wedlock births.

(m) The Department of Human Resources, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, shall consult with the county departments of social

services and the area mental health programs on the expenditure of funds allocated to the Department of Human Resources from the TANF Block Grant to ensure that those funds are used for substance abuse services.

(n) By January 1, 1998, the Department of Human Resources shall report to the Senate and House Appropriations Subcommittees on Human Resources on the process undertaken for determining how the funds described in subsections (g), (l), and (m) of this section will be allocated.

(o) Of the TANF Block Grant funds appropriated by the United States Congress for the 1997-98 fiscal year, the Department of Human Resources shall reserve the sum of twenty million dollars ($20,000,000) for the purpose of providing for future needs as allowed by federal law regulating the use of TANF funds. These funds shall be held in reserve until the Department notifies the Joint Legislative Public Assistance Commission, submits a request for expenditure of these funds to the House and Senate Appropriations Subcommittees on Human Resources, and receives approval from the General Assembly for the expenditure, or unless the United States Congress reduces the amount of TANF funds below the amounts specified above after the effective date of this act. If federal funds are reduced below the amounts specified above after the effective date of this act, then the Department shall first reduce the reserve, and then, if the reserve is exhausted, shall reduce every item in the TANF Block Grant section listed above pro rata. Any TANF funds appropriated by the United States Congress in addition to the funds specified in this act shall be transferred to the reserve fund. If the reserve is reduced or increased because of a reduction or increase in appropriation by the United States Congress, the Department shall report the reduction or increase to the Joint Legislative Public Assistance Commission within 30 days after the reserve is reduced or increased.

5/29/97 a.m.
Attachment #2

Addendum to SSBG & SAPTBG

The MAJORS Program: Community Treatment and Continuing Care Services for Substance Abusing Juvenile Offenders

A. PROJECT SUMMARY

The MAJORS Program (Managing Access for Juvenile Offender Resources and Services) will pilot the development, implementation, and evaluation of an innovative model of specialized substance abuse community treatment and continuing care services for juvenile offenders. The project will focus on providing critically needed services to youth across the service continuum, by diverting substance abusing youth from institutional care in the juvenile justice system, and by providing transitional and continuing care services to youth returning to the community from juvenile justice institutions and residential treatment programs. The Program involves a joint planning effort between the Child and Adolescent Substance Abuse Services Branch in the Division of MH/DD/SAS, the Administrative Office of the Courts (AOC), and the Division of Youth Services (DYS). Through a Request for Proposals (RFP) process the MAJORS Program will fund community project sites in public or private non-profit agencies which demonstrate high levels of need, collaboration, expertise, and commitment. The Program will also coordinate the development, adoption, and implementation of statewide juvenile justice substance abuse protocols for clinical assessment and measures of program performance and client outcomes for use by AOC and DMH/DD/SAS. As a critically needed linkage in the continuum of services for substance abusing juvenile offenders, the MAJORS Program will provide opportunities for youth to receive accessible, responsive, and coordinated community substance abuse treatment services to change client behaviors and to sustain positive gains made in treatment. It is anticipated that this program will also have a measurable impact with this population on rates of institutionalization, relapse, and recidivism.

B. PROJECT OPERATION

Initiation of substance abuse clinical assessment, community treatment, and transitional care services for juvenile offenders with substance abuse problems will be effected through a primary referral to a Substance Abuse Counselor/Care Coordinator in a MAJORS Program project site by a Juvenile Court Counselor. The identified substance abuse target populations will include juvenile offenders between 12 and 17 years of age who are at significant risk for placement in a juvenile justice institution or in a residential treatment program, or who are returning to the community following juvenile justice institution or residential treatment program placement. Following a clinical assessment by a Substance Abuse Counselor/Care Coordinator, there will be an inter-agency case conference for determination of the juvenile's need and appropriateness for

services in the MAJORS Program. Following a mutual acceptance decision by the two agency's representatives, a collaborative team approach of service planning, implementation, and monitoring will be initiated. The Juvenile Court Counselor will continue to provide primary leadership in responsibilities for overall case planning and management. The Substance Abuse Counselor/Care Coordinator will provide primary leadership in the provision of specialized individual, group, and family treatment services. The Substance Abuse Counselor/Care Coordinator will also provide access to and monitoring of other substance abuse community services and resources, including AA/NA, relapse prevention groups, and substance abuse alternatives activities.

The MAJORS Program will convene an Interagency Advisory Committee composed of representatives of youth-serving agencies. This Advisory Committee will be requested to recommend a process and participate in the selection of local public or non-profit agencies for project sites for program implementation.

C. PROGRAM OUTCOMES

The MAJORS Program will establish sites to provide specialized substance abuse community treatment, transitional care, and coordination services to juvenile offenders, with **the highest service priority** for those youth referred by the Administrative Office of the Courts who are at high risk for institutional placement or residential care or who are returning to the community following such care. A major impetus for the development of the MAJORS Program has been the need to provide the critical linkage of community transition and continuing care coordination and services for juvenile offenders who are receiving or who are likely to receive substance abuse services in the Division of Youth Services facilities. Specifically, the transitional and continuing care component of the Program is intended to provide necessary linkages, community transition, and continuing care services with the newly funded DYS State Alliance for Recovery and General Education (SARGE) of Chemical Dependent Youth and the BRIDGE Substance Abuse Residential Treatment Program operated by Blue Ridge Center in cooperation with the Juvenile Evaluation Center. Improvements in the system of care will include **improved coordination** among the three agencies involved in providing a seamless system of substance abuse treatment services for substance abusing juvenile offenders through enhancement in community services access and coordination. In addition, the MAJORS Program will facilitate the development, adoption, and implementation of much-needed standardized clinical assessment protocols and program performance and client outcomes measures for use by AOC and DMH/DD/SAS in providing substance abuse services to juvenile offenders. It is anticipated that on an annual basis each of these project sites will serve a minimum of 80 to 100 adolescents. Long term impacts of this program will include changes in client behaviors leading to reductions in rates of institutionalization, relapse, and recidivism for substance abusing juvenile offenders. Client outcome measures will be implemented to evaluate the success of the program in such areas as reduction in days of institutional care, improvement in academic performance, reduction in substance abuse, and reduction in crime.

5/29/97 a.m.

Addendum to SSBG & SAPTBG

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5/29/97
a.m.

House Subcommittee on Human Resources Appropriations

Department of Human Resources Block Grants
FY97/98

1. Community Services Block Grant

2. Temporary Assistance for Needy Families (TANF)

3. Child Care-Related Block Grants

4. Social Services Block Grant (SSBG)

5. Substance Abuse Prevention and Treatment Block Grant

Fiscal Research Division *May 29, 1997*

DEPARTMENT OF HUMAN RESOURCES
OFFICE OF ECONOMIC OPPORTUNITY

COMMUNITY SERVICES BLOCK GRANT (CSBG)

For the State fiscal year 1997-98 the funding level is estimated to be $12,828,926.

GENERAL DESCRIPTION

The Community Services Block Grant Program makes federal funds available to states to provide a range of services designed to assist low-income persons attain the skills, knowledge, and motivation necessary to achieve self-sufficiency.

The primary providers of services under this grant, as required by federal law, are the thirty-six Community Action Agencies (CAAs) in the state. Other grantees are seven Limited Purpose Agencies (LPAs) who were recipients of similar funds prior to the inception of the Community Services Block Grant Program. CAAs operate programs under the Community Services Block Grant in coordination with other federal, state, and local programs such as Head Start, Emergency Homeless, Weatherization, and Section 8 Rental Assistance.

Community Services Block Grant funds are used to provide a wide variety of services in local communities to serve identified needs of poor families. Programs allowed under the Community Services Block Grant Act are those which provide activities designed to assist low-income participants including the elderly poor:

- to secure and retain meaningful employment;
- to attain an adequate education;
- to make better use of available income;
- to obtain and maintain adequate housing and a suitable living environment;
- to obtain emergency assistance through loans or grants to meet immediate and urgent individual and family needs, including the need for health services, nutritious food, housing, and employment-related assistance;
- to remove obstacles and solve problems which block the achievement of self sufficiency;
- to achieve greater participation in the affairs of the community; and
- to make more effective use of other programs related to promoting the well being of the low-income population.

The specific services operated in each local community are determined by the local agency as a result of an assessment of the needs of low-income individuals and families in their service area which is used to develop a multi-year plan for services.

As required by the Community Services Block Grant Act, ninety per cent of the funds received are distributed to the thirty-six Community Action Agencies (CAAs) located throughout the state. Five percent, which is the maximum allowed by federal law, is used by the Department to administer the Program. The remainder is used to fund seven non-profit organizations known as Limited Purpose Agencies (LPAs).

Approximately twenty thousand low-income individuals are served annually under the program.

RECOMMENDATIONS	ALLOCATION
1. Allocate $641,446 to the Department of Human Resources to administer the grant. Staff renders technical assistance and monitors the Community Action Agencies and Limited Purpose Agencies for compliance with federal laws and regulations.	$641,446
2. Allocate $11,546,034 to the 36 Community Action Agencies (CAAs) which serve 86 counties for the purpose of providing administrative costs and to assist low-income families with housing, emergency assistance, education, energy, nutrition, income management, information and referral, and outreach. Federal rules require that 90% of the grant be allocated to CAAs.	$11,546,034
3. Allocate the remaining 5% of the grant in the amount of $641,446 to Limited Purpose Agencies which are agencies that address a specific need or population. The allocation and agency is as follows: - Telamon which provides assistance to seasonal and migrant farm workers ($80,181) - Low Income Housing Development Corporation (LIHDC) which assists non-profit agencies in packaging loans for housing construction and rehabilitation ($98,141) - N.C. Rural Fund for Development (NCRFD) which provides technical assistance to credit unions and cooperatives which serve low-income individuals and families ($233,486) - N.C. Senior Citizens Federation which sponsors statewide activities for low-income senior citizens ($116,743)	$641,446

- Western Economic Development Organization (WEDO) which assists organizations serving low-income and handicapped individuals secure manufacturing contracts ($61,579)
- United Senior Services which provides activity programs for senior citizens in Craven County ($24,375)
- N.C. Commission of Indian Affairs which provides programs for low-income Native Americans in the state in coordination with local tribal organizations ($26,941)

TOTAL FUNDING SFY 1997-98	$12,828,926
SOURCE OF FUNDS:	
BLOCK GRANT FUND FFY 1997	$3,207,232
BLOCK GRANT FUND FFY 1998	$9,621,694

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BLOCK GRANT (TANF)

Item Numbe	Title	DHR SFY 1997-98	Senate SFY 1997-98	Proposed House SFY 1997-98
1	Work First Cash Assistance	$262,747,194	$262,747,194	$0
2	Block Grants to County DSSs (partial funding)	$19,281,882	$19,281,882	$282,029,076
3	Subsidies to replace state funds used for Smart Start and other expansion	$27,958,825	$23,276,545	$0
4	Transfer to the Child Care & Development Fund for the Development of Child Care Centers at Community Colleges	$0	$0	$600,000
5	Transfer to the Child Development Fund for Work First Day Care Subsidies	$3,758,011	$3,758,011	$5,599,759
6	Allocation to the Division of Mental Health for Work First Substance Abuse Treatment and Testing Services	$1,000,000	$1,000,000	$3,000,000
7	Allocation to the Division of Social Services for Evaluation	$700,000	$700,000	$300,000
8	Allocation to the Division of Social Services for Community College Collaboration	$500,000	$500,000	$0
9	Allocation to Division of Social Services for Staff Development	$500,000	$500,000	$500,000
10	Transfer to the Social Service Block Grant for Maternal Outreach Worker Program	$400,000	$0	$0
11	Allocation to the Department of Environment, Health, and Natural Resources for the reduction of Out-of-Wedlock Births	$0	$1,600,000	$1,600,000
12	Allocation to the Division of Mental Health for screening, diagnostic, and counseling services related to substance abuse for Work First participants	$0	$2,300,000	$2,300,000
13	Transfer to the Social Service Block Grant for DHR/AOC juvenile substance abuse pilots	$0	$1,182,280	$1,182,280
14	Transfer to the Social Services Block Grant for the Special Children Adoption Fund	$0	$0	$300,000
15	Carry-forward to FY 1998-99	$565,203	$565,203	$0
16	TANF Reserve Fund	$0	$0	$20,000,000
	Total Expenditures	**$317,411,115**	**$317,411,115**	**$317,411,115**

Note: The House proposal increases the transfer to the Child Development Fund by $1,841,748 because a reduction of $1,841,748 has been made in SSBG funding for child care to fund child welfare system improvements.

Child Care-Related Block Grants

Child Care and Development Block Grant	**Recommended**	**Proposed**
Child Care Services	$17,581,167	$ 17,581,167
Administrative Expenses and Quality and Availability Initiatives	$ 488,366	$ 488,366
Before and After School Child Care Programs and Early Childhood Development Programs	$ 1,750,000	$ 1,750,000
Quality Improvement Activities	$ 740,000	$ 740,000
Total	$ 20,559,533	$20,559,533

Child Care and Development Fund Block Grant		
Child Care Subsidies	$ 99,845,334	$ 99,845,334
Quality and Availability Initiatives	$ 4,388,806	$ 4,388,806
Administrative Expenses	$ 5,486,007	$ 5,486,007
Transfer from TANF Block Grant for Child Care Subsidies and Support	$ 31,716,836	$ 5,599,759
Transfer from TANF Block Grant for the Development of Child Care Centers at Community Colleges	$ 0	$ 600,000
Total	$141,436,983	$115,919,906

5/27/97

Department of Human Resources

SOCIAL SERVICES BLOCK GRANT
FY97/98

DEPARTMENT Division Program/Service	Certified FY96/97 Allocation	DHR Proposed FY97/98 Allocations	Proposed Change FY97-FY98	% Change FY97-FY98	HOUSE Proposed FY97/98 Allocations	HOUSE Proposed Change FY97-FY98	% Change FY97-FY98
1. Local DSS's-Basic/Mandatory Ser	$30,395,663	$ 31,307,047	$ 911,384	3.00%	$ 30,395,663	$ -	0.0%
2. Local DSS's - In Home Services	$ 2,101,113	$ 2,101,113	$ -	0.00%	$ 2,101,113	$ -	0.0%
3. DMH/DD/SAS - Area Programs	$ 4,764,124	$ 4,886,921	$ 122,797	2.58%	$ 4,764,124	$ -	0.0%
4. Div of Blind Services-Direct Ser	$ 3,205,711	$ 3,205,711	$ -	0.00%	$ 3,205,711	$ -	0.0%
5. DYS -One-on-One/Camp Woodsen	$ 950,674	$ 967,153	$ 16,479	1.73%	$ 950,674	$ -	0.0%
6. DFS-Consult./Adult Care Homes	$ 343,341	$ 426,836	$ 83,495	24.32%	$ 343,341	$ -	0.0%
7. Div of Aging - Respite/In Home/Trng	$ 1,915,234	$ 1,926,543	$ 11,309	0.59%	$ 1,915,234	$ -	0.0%
8. DCD - Day Care Subsidy	$ 15,694,900	$ 15,694,900	$ -	0.00%	$ 13,853,152	$ (1,841,748)	-11.7%
9. DSS-State Administration/Staff	$ 1,954,237	$ 1,870,742	$ (83,495)	-4.27%	$ 1,954,237	$ -	0.0%
10. DVR - Easter Seals	$ 116,779	$ 120,742	$ 3,963	3.39%	$ 116,779	$ -	0.0%
11. DVR - United Cerebral Palsy	$ 71,484	$ 73,910	$ 2,426	3.39%	$ 71,484	$ -	0.0%
12. DOA - Com on Indian Affairs	$ 203,198	$ 203,198	$ -	0.00%	$ 203,198	$ -	0.0%
13. DSS - UNC CARES (Training)	$ 247,920	$ 247,920	$ -	0.00%	$ 247,920	$ -	0.0%
14. DSS - UNC-CH Child Medical Eval.	$ 238,321	$ 238,321	$ -	0.00%	$ 238,321	$ -	0.0%
15. DEHNR-MCH Grant Supplement	$ -	$ 341,703	$ 341,703	0.00%	$ -	$ -	0.0%
16. DSS - Adult Day Care Services	$ 599,551	$ 599,551	$ -	0.00%	$ 2,255,301	$ 1,655,750	276.2%
17. DSS - Child Abuse/Perm. Planning	$ 394,841	$ 394,841	$ -	0.00%	$ 394,841	$ -	0.0%
18. DEHNR-Adolescent Preg Prev	$ 239,261	$ 271,573	$ 32,312	13.50%	$ 239,261	$ -	0.0%
19. DFS-Emergency Medical Services	$ 213,128	$ 280,984	$ 67,856	31.84%	$ 213,128	$ -	0.0%
20. DEHNR - AIDS Ed. Supplement	$ 66,939	$ 81,001	$ 14,062	21.01%	$ 66,939	$ -	0.0%
21. Sec's Office-OEO Outreach for Srs.	$ 41,302	$ 42,700	$ 1,398	3.38%	$ 41,302	$ -	0.0%
22. DEHNR-Maternal Outreach Wker.	$ -	$ 200,000	$ 200,000		$ -	$ -	0.0%
23. DSS - Child Welfare Improvements	$ -	$ -	$ -	0.00%	$ 2,211,687	$ 2,211,687	0.0%
24. DMH - SAS for Juvenile Offenders	$ -	$ -	$ -	0.00%	$ 1,182,280	$ 1,182,280	0.0%
TOTAL	$63,757,721	$ 65,483,410	$ 1,725,689	2.71%	$ 66,965,690	$ 3,207,969	5.0%

Note: $66,965,690 results from a $1,482,280 TANF Block Grant Transfer & $1,725,689 increase in SSBG

*Item #8 was reduced to reflect a $1,841,748 transfer of TANF funds into the Child Care Block Grant

*Item #16 was increased as a result of freed up SSBG funds

*Item #23 includes a $300,000 transfer from TANF

SUBSTANCE ABUSE PREVENTION & TREATMENT
BLOCK GRANT ALLOCATIONS FY97/98

Division of Mental Health Program/Service	Certified FY96/97 Allocation	DHR Proposed FY97/98 Allocations	HOUSE Proposed FY97/98 Allocations
1. Adult Substance Abuse	$ 10,935,939	$ 10,935,939	$ 10,935,939
2. Child Substance Abuse	$ 5,964,093	$ 5,964,093	$ 5,964,093
3. Women's Substance Abuse	$ 5,060,076	$ 5,060,076	$ 5,060,076
4. IV Drug	$ 4,836,407	$ 4,836,407	$ 4,836,407
5. Non-SSI Recipient Services	$ -	$ 1,123,757	$ 1,123,757
6. Gender Specific/TANF Support	$ -	$ 1,193,811	$ 893,811
7. Juvenile Services & SA Pilot	$ -	$ -	$ 300,000
8. Administration	$ 1,841,742	$ 1,841,742	$ 1,841,742
TOTAL	$ 28,638,257	$ 30,955,825	$ 30,955,825

House Subcommittee on Human Resource Appropriations

Proposed Department of Human Resources Block Grant Special Provision FY97/98

May 29, 1997

CODE NO. 97DHR-H085

Requested by: Representatives Gardner, Cansler, Clary

DHR BLOCK GRANT PROVISIONS

Section @. (a) Appropriations from federal block grant funds are made for the fiscal year ending June 30, 1998, according to the following schedule:

COMMUNITY SERVICES BLOCK GRANT	
01. Community Action Agencies	$ 11,546,034
02. Limited Purpose Agencies	641,446
03. Department of Human Resources to administer and monitor the activities of the Community Services Block Grant	641,446
TOTAL COMMUNITY SERVICES BLOCK GRANT	$ 12,828,926
SOCIAL SERVICES BLOCK GRANT	
01. County departments of social services	$ 31,121,352
02. Allocation for in-home services provided by county departments of social services	2,101,113
03. Division of Mental Health, Developmental Disabilities, and Substance Abuse Services	4,764,124
04. Division of Services for the Blind	3,205,711
05. Division of Youth Services	950,674
06. Division of Facility Services	343,341
07. Division of Aging - Home and Community Care Block Grant	1,915,234
08. Day care services	13,853,152
09. Division of Vocational Rehabilitation - United Cerebral Palsy	71,484
10. State administration	1,954,237
11. Child Medical Evaluation Program	238,321

12. Adult day care services	2,255,301
13. County departments of social services for child abuse/prevention and permanency planning	394,841
14. Transfer to Preventive Health Block Grant for emergency medical services	213,128
15. Allocation to Preventive Health Block Grant for AIDS education, counseling, and testing	66,939
16. Transfer to Department of Administration for the N.C. Commission of Indian Affairs In-Home Services Program for the elderly	203,198
17. Division of Vocational Rehabilitation - Easter Seals Society	116,779
18. UNC-CH CARES Program for training and consultation services	247,920
19. Transfer to Department of Environment, Health, and Natural Resources for the Adolescent Pregnancy Prevention Program	239,261
20. Office of the Secretary - Office of Economic Opportunity for N.C. Senior Citizens' Federation for outreach services to low-income elderly persons	41,302
21. County departments of social services for child welfare improvements	2,211,687
22. Division of Mental Health, Developmental Disabilities, and Substance Abuse Services for juvenile offenders	1,182,280
TOTAL SOCIAL SERVICES BLOCK GRANT	$ 66,965,690
LOW-INCOME ENERGY BLOCK GRANT	
01. Energy Assistance Programs	$ 6,284,055
02. Crisis Intervention	6,393,661
03. Administration	1,428,386
04. Weatherization Program	4,128,479
05. Indian Affairs	33,022

TOTAL LOW-INCOME ENERGY BLOCK GRANT	$ 18,267,603
MENTAL HEALTH SERVICES BLOCK GRANT	
01. Provision of community-based services in accordance with the Mental Health Study Commission's Adult Severe and Persistently Mentally Ill Plan	$ 3,794,179
02. Provision of community-based services in accordance with the Mental Health Study Commission's Child Mental Health Plan	1,819,931
03. Administration	624,231
TOTAL MENTAL HEALTH SERVICES BLOCK GRANT	$ 6,238,341
SUBSTANCE ABUSE PREVENTION AND TREATMENT BLOCK GRANT	
01. Provision of community-based alcohol and drug abuse services, tuberculosis services, and services provided by the Alcohol, Drug Abuse Treatment Centers	$ 10,935,939
02. Continuation of services for pregnant women and women with dependent children	5,060,076
03. Continuation and expansion of services to IV drug abusers and others at risk for HIV diseases	4,836,407
04. Provision of services in accordance with the Mental Health Study Commission's Child and Adolescent Alcohol and Other Drug Abuse Plan	5,964,093
05. Service for former SSI recipients	1,123,757
06. Gender specific services and Employee Assistance Program services for Work First recipients	893,811
07. Juvenile offender services and substance abuse pilot	300,000
08. Administration	1,841,742
TOTAL SUBSTANCE ABUSE PREVENTION	

AND TREATMENT BLOCK GRANT	$ 30,955,825
CHILD CARE AND DEVELOPMENT BLOCK GRANT	
01. Child care services	$ 17,581,167
02. Administrative expenses and quality and availability initiatives	488,366
03. Before and After School Child Care Programs and Early Childhood Development Programs	1,750,000
04. Quality improvement activities	740,000
TOTAL CHILD CARE AND DEVELOPMENT BLOCK GRANT	$ 20,559,533
CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT	
01. Child care subsidies	$ 99,845,334
02. Quality and availability initiatives	4,388,806
03. Administrative expenses	5,486,007
04. Transfer from TANF Block Grant for child care subsidies and support	5,599,759
05. Transfer from TANF Block Grant for the development of child care centers at community colleges	600,000
TOTAL CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT	$115,919,906
TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF) BLOCK GRANT	
01. Block Grants to county departments of social services (partial funding)	$282,029,076
02. Transfer to Child Care and Development Fund for development of child care centers at community colleges	600,000
03. Transfer to the Child Care and Development Fund for Work First child care subsidies	5,599,759
04. Allocation to the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services for Work First substance abuse treatment and testing services	3,000,000

05. Allocation to the Division of Social Services for evaluation	300,000
06. Allocation to the Division of Social Services for State and county staff development	500,000
07. Allocation to the Department of Environment, Health, and Natural Resources for the reduction of out-of-wedlock births	1,600,000
08. Allocation to the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services for screening, diagnostic, and counseling services related to substance abuse services for Work First participants	2,300,000
09. Transfer to the Social Services Block Grant for substance abuse services for juveniles	1,182,280
10. Transfer to the Social Services Block Grant to establish the Special Children Adoption Fund	300,000
11. TANF Reserve Fund	20,000,000
TOTAL TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF) BLOCK GRANT	$317,411,115

(b) Decreases in Federal Fund Availability Except the TANF Block Grant

If federal funds are reduced below the amounts specified above after the effective date of this act, then every program in each of the federal block grants listed above shall be reduced equally to total the reduction in federal funds.

(c) Increases in Federal Fund Availability - Block Grant Funds Except the Social Services Block Grant, the TANF Block Grant, and the Child Care and Development Fund Block Grant

Any block grant funds appropriated by the United States Congress in addition to the funds specified in this act shall be expended by the Department of Human Resources, provided that the resultant increases are in accordance with federal block grant requirements, by allocating the additional funds for direct services only among the programs funded in this section.

(d) Increases in Federal Fund Availability - Social Services Block Grant

Any block grant funds appropriated by the United States Congress in addition to the funds specified in this act shall be expended by the Department of Human Resources, provided the resultant increases are in accordance with federal block grant requirements, as follows:

(1) Fifty percent (50%) of the funds shall be allocated to the county departments of social services for mandatory services; and

(2) The remaining fifty percent (50%) shall be allocated for direct services only among the programs funded in this section.

All these budgeted increases shall be reported to the members of the House and Senate Appropriations Subcommittees on Human Resources and to the Fiscal Research Division.

(e) Of the funds appropriated in this act to the Department of Human Resources, Division of Social Services, the sum of one million three hundred thousand dollars ($1,300,000) for the 1997-98 fiscal year and the sum of one million three hundred thousand dollars ($1,300,000) for the 1998-99 fiscal year shall be allocated to county Departments of Social Services for hiring or contracting for additional child protective services, foster care, and adoption worker positions created after July 1, 1997, based upon a formula which takes into consideration the number of child protective services, foster care, and adoption cases, and child protective services, foster care, and adoption workers necessary to meet recommended standards adopted by the North Carolina Association of County Directors of Social Services.

(f) There is established in the Department of Human Resources, Division of Social Services, a Special Children Adoption Fund. The purpose of the fund is to provide funds for adoptive placements of children described in G.S. 108A-50 in foster care above those funds that participating licensed public and private adoption agencies can provide with existing resources.

Of the funds appropriated in this act to the Department of Human Resources, Special Children Adoption Fund, the sum of nine hundred eleven thousand six hundred eighty-seven dollars ($911,687) for the 1997-98 fiscal year and the sum of nine hundred eleven thousand six hundred eighty-seven dollars ($911,687) for the 1998-99 fiscal year shall be used to implement this subsection. Of the monies in the Special Children Adoption Fund, the Department shall award a minimum of four hundred thousand dollars ($400,000) to licensed private adoption agencies. The Department of Human Resources, Division of Social Services, in consultation with the North Carolina Association of County Directors of Social Services and representatives of licensed private adoption agencies, shall develop guidelines for the awarding of funds to licensed public and private adoption agencies upon successful placement of children described in G.S. 108A-50 in foster care. No local match shall be required as a condition for receipt of these funds. Funds not expended at the end of a fiscal year shall not revert but shall remain in the fund for the purpose enumerated in this subsection.

The Department of Human Resources, Division of Social Services shall report by May 1, 1998 to the House and Senate Appropriations Subcommittees on Human Resources on the use of

funds allocated in this subsection and the number of children placed.

(g) The Department of Human Resources, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, shall consult with the Department of Human Resources, Division of Youth Services, the Administrative Office of the Courts, local juvenile court counselors, and local area mental health programs on the expenditure of the funds allocated to the Department of Human Resources from the Social Services Block Grant to ensure that those funds are used for substance abuse services for juveniles.

(h) Funding for the Weatherization Program from the Low-Income Energy Block Grant is contingent upon approval of a federal waiver to increase funding. In the event the federal waiver is not approved, the funds appropriated for the Weatherization Program will be reduced to fifteen percent (15%) of the Block Grant, and excess funds will be transferred to the Crisis Intervention Program.

(i) Increases in Federal Fund Availability - Child Care and Development Fund Block Grant

The Child Care and Development Fund Block Grant funds appropriated by the United States Congress in addition to the funds specified in this act shall be expended by the Department of Human Resources, provided the resultant increases are in accordance with federal block grant requirements and are within the scope of the block grant plan approved by the General Assembly.

(j) If funds appropriated through the Child Care and Development Fund, which includes the Child Care and Development Block Grant, for any program cannot be obligated or spent in that program within the obligation or liquidation periods allowed by the federal grants, the Department may move funds to other programs, in accordance with federal requirements of the grant, in order to use the federal funds fully.

(k) Of the funds appropriated in this act to the Department of Human Resources, Division of Child Development, the sum of six hundred thousand dollars ($600,000) for fiscal year 1997-98 shall be transferred to the Department of Community Colleges to establish three model early childhood education centers in three community colleges, one in the eastern part of the State, one in the western part of the State, and one in the Piedmont.

(l) The Department of Environment, Health, and Natural Resources and the county departments of public health shall consult with the Department of Human Resources and the county departments of social services on the expenditure of the funds allocated to the Department of Environment, Health, and Natural Resources from the Temporary Assistance to Needy Families Block Grant to ensure that those funds are used for meeting the goal of reducing out-of-wedlock births.

(m) The Department of Human Resources, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, shall consult with the county departments of social

services and the area mental health programs on the expenditure of funds allocated to the Department of Human Resources from the TANF Block Grant to ensure that those funds are used for substance abuse services.

(n) By January 1, 1998, the Department of Human Resources shall report to the Senate and House Appropriations Subcommittees on Human Resources on the process undertaken for determining how the funds described in subsections (g), (l), and (m) of this section will be allocated.

(o) Of the TANF Block Grant funds appropriated by the United States Congress for the 1997-98 fiscal year, the Department of Human Resources shall reserve the sum of twenty million dollars ($20,000,000) for the purpose of providing for future needs as allowed by federal law regulating the use of TANF funds. These funds shall be held in reserve until the Department notifies the Joint Legislative Public Assistance Commission, submits a request for expenditure of these funds to the House and Senate Appropriations Subcommittees on Human Resources, and receives approval from the General Assembly for the expenditure, or unless the United States Congress reduces the amount of TANF funds below the amounts specified above after the effective date of this act. If federal funds are reduced below the amounts specified above after the effective date of this act, then the Department shall first reduce the reserve, and then, if the reserve is exhausted, shall reduce every item in the TANF Block Grant section listed above pro rata. Any TANF funds appropriated by the United States Congress in addition to the funds specified in this act shall be transferred to the reserve fund. If the reserve is reduced or increased because of a reduction or increase in appropriation by the United States Congress, the Department shall report the reduction or increase to the Joint Legislative Public Assistance Commission within 30 days after the reserve is reduced or increased.

VISITOR REGISTRATION SHEET

Human Resources Appropriations May 29, 1997

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

	NAME	FIRM OR AGENCY
1.	Jim Lipchurch	DHR/DFS
2.	Mike Ellinger	DHR/DFS
3.	Roslyn Sawtt	NC Child Care Coalition
4.	Lynda McDaniel	DHR/DFS
5.	Bob Fitzgerald	DHR/DFS
6.	Doug Baker	DMH/DD/SAS
7.	Clifton Rudd	DOA
8.	[illegible]	DHR/OEO
9.	Hugh Tilson	NCHA
10.	Diana Ricketts	Bode Call & Stroupe
11.	Stephanie Jaquez	DHR - DCD
22.	Al Dicks CN	YA TO DOA
23.	[illegible]	NC Equity
24.	Paula A. Wolf	Covenant w/ NC's Children
25.	Douglas Blum	United Way of NC
26.	Dave Richard	Arc/NC
27.	Tommy Worth	NC Carolina HealthCare System
28.	Bill Cox	DHR/DERM
29.	[illegible]	NCBTC
30.	Megan Souster	Easter Seals
31.	Wayne McAllister	OSBM

VISITOR REGISTRATION SHEET

Human Resources Appropriations May 29 1997

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY
1. Pam Richardson	OSPL
2. Byron K. Harris	OSBM
3. NELS ROSELAND	OSBM
4. Spencer Clark	DMH/DD/SAS
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HOUSE APPROPRIATION SUBCOMMITTEE ON HUMAN RESOURCES

MINUTES
July 31, 1997
9:00 a.m.

The House Appropriation Subcommittee on Human Resources met on July 31, 1997 at 9:00 a.m. Representative Charlotte Gardner, Co-Chairman, presided. The following members were present:

Representative Gardner	Representative Cansler
Representative Clary	Representative Aldridge
Representative Adams	Representative Hurley
Representative Alexander	Representative Nye

House Bill 896, Child Welfare Changes, was discussed. (See attached.) Representative Gardner pointed out the Senate changes on Pages 2 and 5 which she supported. The goal of the legislation is a safe, permanent home for children.

John Brooks of the North Carolina Family Policy Council said the bill represents a significant change in policy for children. He objects to line 8 on page 5 , the term "safe" home". He said there was no linkage to denote a safe home is the natural home of the child. His organization has problems with the term, "foreseeable future" which they find loosely constructed and cuts off the impetus to return the child to its natural home.

Representative Gardner called on Chuck Harris and Kevin Fitzgerald of the Department of Human Resources to clarify the misconceptions concerning the bill emphasizing that the decisions are the responsibility of a judge, and social workers are not making these decisions.

Representative Clary moved for concurrence on the Senate version of House Bill 896, and the motion carried.

The meeting was adjourned until 10 minutes after session today.

Barbara R. Hocutt
Barbara R. Hocutt, Clerk

Charlotte Gardner
Representative Charlotte Gardner, Co-Chair

CAG:brh

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H 5

HOUSE BILL 896
Committee Substitute Favorable 4/24/97
Third Edition Engrossed 4/30/97
Senate Children & Human Resources Committee Substitute Adopted 7/24/97
Fifth Edition Engrossed 7/29/97

Short Title: Child Welfare Changes. (Public)

Sponsors:

Referred to:

April 8, 1997

A BILL TO BE ENTITLED

AN ACT TO AMEND THE LAW PERTAINING TO THE CUSTODY AND PLACEMENT OF JUVENILES TO ENHANCE THE STATE'S ABILITY TO ENSURE THAT JUVENILES ARE PLACED IN A SAFE, PERMANENT HOME WITHIN A REASONABLE PERIOD OF TIME, TO AUTHORIZE THE DEPARTMENT OF HUMAN RESOURCES TO ASSUME CONTROL OF DELIVERY OF COUNTY CHILD WELFARE SERVICES UNDER CERTAIN CIRCUMSTANCES, AND TO ESTABLISH THE LEGISLATIVE STUDY COMMISSION ON CHILDREN AND YOUTH.

The General Assembly of North Carolina enacts:

Section 1. G.S. 7A-289.32(3) reads as rewritten:

"(3) The parent has willfully left the child in foster care for more than 12 months without showing to the satisfaction of the court that reasonable progress under the circumstances has been made within 12 months in correcting those conditions which led to the removal of the child. ~~child or without showing positive response within 12 months to the diligent efforts of a county Department of Social Services, a child-caring institution or licensed child-placing agency to encourage the parent to strengthen the parental relationship to the child or to make and follow through with constructive planning for the future of the child.~~ Provided, however, that no parental

rights shall be terminated for the sole reason that the parents are unable to care for the child on account of their poverty."

Section 2. G.S. 7A-289.32(7) reads as rewritten:

"(7) That the parent is incapable ~~as a result of mental retardation, mental illness, organic brain syndrome, or any other degenerative mental condition~~ of providing for the proper care and supervision of the child, such that the child is a dependent child within the meaning of G.S. 7A-517(13), and that there is a reasonable probability that such incapability will continue ~~throughout the minority of the child.~~ for the foreseeable future. Incapability under this subdivision may be the result of substance abuse, mental retardation, mental illness, organic brain syndrome, or any other similar cause or condition."

Section 3. G.S. 7A-517 is amended by adding the following new subdivisions to read:

"(25a) 'Reasonable efforts'. -- The diligent use of preventive or reunification services by a department of social services when a juvenile's remaining at home or returning home is consistent with achieving a safe, permanent home for the juvenile within a reasonable period of time.

(25b) 'Safe home'. -- A home in which the child is not at substantial risk of physical or emotional abuse or neglect."

Section 3.1. G.S. 7A-544 reads as rewritten:

"**§ 7A-544. Investigation by Director; access to confidential information; notification of person making the report.**

When a report of abuse, neglect, or dependency is received, the Director of the Department of Social Services shall make a prompt and thorough investigation in order to ascertain the facts of the case, the extent of the abuse or neglect, and the risk of harm to the juvenile, in order to determine whether protective services should be provided or the complaint filed as a petition. When the report alleges abuse, the Director shall immediately, but no later than 24 hours after receipt of the report, initiate the investigation. When the report alleges neglect or dependency, the Director shall initiate the investigation within 72 hours following receipt of the report. The investigation and evaluation shall include a visit to the place where the juvenile resides. All information received by the Department of Social Services, including the identity of the reporter, shall be held in strictest confidence by the Department.

When a report of ~~a juvenile's death as a result of~~ suspected ~~maltreatment~~ abuse, neglect, or dependency of a juvenile is received, the Director of the Department of Social Services shall immediately ascertain if other juveniles remain in the home, and, if so, initiate an investigation in order to determine whether they require protective services or whether immediate removal of the juveniles from the home is necessary for their protection.

If the investigation indicates that abuse, neglect, or dependency has occurred, the Director shall decide whether immediate removal of the juvenile or any other

juveniles in the home is necessary for their protection. If immediate removal does not seem necessary, the Director shall immediately provide or arrange for protective services. If the parent or other caretaker refuses to accept the protective services provided or arranged by the Director, the Director shall sign a complaint seeking to invoke the jurisdiction of the court for the protection of the juvenile or juveniles.

If immediate removal seems necessary for the protection of the juvenile or other juveniles in the home, the Director shall sign a complaint which alleges the applicable facts to invoke the jurisdiction of the court. Where the investigation shows that it is warranted, a protective services worker may assume temporary custody of the juvenile for the juvenile's protection pursuant to Article 46 of this Chapter.

In performing any duties related to the investigation of the complaint or the provision or arrangement for protective services, the Director may consult with any public or private agencies or individuals, including the available State or local law-enforcement officers who shall assist in the investigation and evaluation of the seriousness of any report of abuse, neglect, or dependency when requested by the Director. The Director or the Director's representative may make a written demand for any information or reports, whether or not confidential, that may in the Director's opinion be relevant to the investigation of or the provision for protective services. Upon the Director's or the Director's representative's request and unless protected by the attorney-client privilege, any public or private agency or individual shall provide access to and copies of this confidential information and these records to the extent permitted by federal law and regulations. If a custodian of criminal investigative information or records believes that release of the information will jeopardize the right of the State to prosecute a defendant or the right of a defendant to receive a fair trial or will undermine an ongoing or future investigation, it may seek an order from a court of competent jurisdiction to prevent disclosure of the information. In such an action, the custodian of the records shall have the burden of showing by a preponderance of the evidence that disclosure of the information in question will jeopardize the right of the State to prosecute a defendant or the right of a defendant to receive a fair trial or will undermine an ongoing or future investigation. Actions brought pursuant to this paragraph shall be set down for immediate hearing, and subsequent proceedings in the actions shall be accorded priority by the trial and appellate courts.

Within five working days after receipt of the report of abuse, neglect, or dependency, the Director shall give written notice to the person making the report, unless requested by that person not to give notice, as to whether the report was accepted for investigation and whether the report was referred to the appropriate State or local law enforcement agency.

Within five working days after completion of the protective services investigation, the Director shall give subsequent written notice to the person making the report, unless requested by that person not to give notice, as to whether there is a finding of abuse, neglect, or dependency, whether the county Department of Social Services is taking action to protect the juvenile, and what action it is taking, including whether or not a petition was filed. The person making the report shall be informed of

procedures necessary to request a review by the prosecutor of the Director's decision not to file a petition. A request for review by the prosecutor shall be made within five working days of receipt of the second notification. The second notification shall include notice that, if the person making the report is not satisfied with the Director's decision, he may request review of the decision by the prosecutor within five working days of receipt. The person making the report may waive the person's right to this notification and no notification is required if the person making the report does not identify himself to the Director."

Section 3.2. G.S. 7A-517(21) reads as rewritten:

"(21) Neglected Juvenile. -- A juvenile who does not receive proper care, supervision, or discipline from the juvenile's parent, guardian, custodian, or caretaker; or who has been abandoned; or who is not provided necessary medical care; or who is not provided necessary remedial care; or who lives in an environment injurious to the juvenile's welfare; or who has been placed for care or adoption in violation of law. In determining whether a juvenile is a neglected juvenile, it is relevant whether that juvenile lives in a home where another juvenile has ~~died as a result of abuse or neglect or lives in a home where another juvenile has~~ been subjected to ~~sexual abuse or severe physical~~ abuse or neglect by an adult who regularly lives in the home."

Section 4. G.S. 7A-576 reads as rewritten:

"**§ 7A-576. Place of secure or nonsecure custody.**

(a) A juvenile meeting the criteria set out in G.S. 7A-574, subsection (a), may be placed in nonsecure custody with the Department of Social Services or a person designated in the order for temporary residential placement in:

(1) A licensed foster home or a home otherwise authorized by law to provide such care or

(2) A facility operated by the Department of Social Services or

(3) Any other home or facility approved by the court and designated in the order.

In placing a juvenile in nonsecure custody under this section and under G.S. 7A-629 and G.S. 7A-651, the court shall first consider whether a relative of the juvenile is willing and able to provide proper care and supervision of the juvenile in a safe home. If the court finds that the relative is willing and able to provide proper care and supervision in a safe home, then the court shall order placement of the juvenile with the relative. Prior to placement of a juvenile with a relative outside of this State, the placement must be in accordance with the Interstate Compact on the Placement of Children.

(b) A juvenile meeting the criteria set out in G.S. 7A-574(b) may be temporarily detained in an approved county detention home or a regional detention facility which shall be separate from any jail, lockup, prison, or other adult penal institution. It shall be unlawful for a county or any unit of government to operate a juvenile detention

home unless the facility meets the standards promulgated by the Department of Human Resources."

Section 5. G.S. 7A-577(h) reads as rewritten:

"(h) Any order authorizing the continued nonsecure custody of a juvenile who is alleged to be abused, neglected, or dependent shall include findings as to whether reasonable efforts have been made to prevent or eliminate the need for placement of the juvenile in custody and may provide for services or other efforts aimed at returning the juvenile ~~home promptly.~~ promptly to a safe home. A finding that reasonable efforts have not been made ~~to prevent or eliminate the need for placement~~ shall not preclude the entry of an order authorizing continued nonsecure custody when the court finds that continued nonsecure custody is necessary for the protection of the juvenile. Where efforts to prevent the need for the juvenile's placement were precluded by an immediate threat of harm to the juvenile, the court may find that the placement of the juvenile in the absence of such efforts was reasonable. If the court finds through written findings of fact that efforts to eliminate the need for placement of the juvenile in custody clearly would be futile or would be inconsistent with the juvenile's safety and need for a safe, permanent home within a reasonable period of time, then the court shall specify in its order that reunification efforts are not required or order that reunification efforts cease."

Section 6. G.S. 7A-577 is amended by adding the following new subsection to read:

"(i) At each hearing to determine the need for continued nonsecure custody, the court shall:

(1) Inquire as to the identity and location of any missing parent. The court shall include findings as to the efforts undertaken to locate the missing parent and to serve that parent. The order may provide for specific efforts aimed at determining the identity and location of any missing parent;

(2) Inquire as to whether a relative of the juvenile is willing and able to provide proper care and supervision of the juvenile in a safe home. If the court finds that the relative is willing and able to provide proper care and supervision in a safe home, then the court shall order temporary placement of the juvenile with the relative. Prior to placement of a juvenile with a relative outside of this State, the placement must be in accordance with the Interstate Compact on the Placement of Children; and

(3) Inquire as to whether there are other juveniles remaining in the home from which the juvenile was removed and, if there are, inquire as to the specific findings of the investigation conducted under G.S. 7A-544 and any actions taken or services provided by the Director for the protection of the other juveniles."

Section 7. G.S. 7A-585 reads as rewritten:

"**§ 7A-585. Appointment of guardian.**

In any case when no parent appears in a hearing with the juvenile or when the judge finds it would be in the best interest of the juvenile, the judge may appoint a guardian of the person for the juvenile. The guardian shall operate under the supervision of the court with or without bond and shall file only such reports as the court shall require. The guardian shall have the care, custody, and control of the juvenile or may arrange a suitable placement for ~~him~~ the juvenile and may represent the juvenile in legal actions before any court. The guardian ~~shall also have authority to~~ may consent to certain actions on the part of the juvenile in place of the parent including (i) marriage, (ii) enlisting in the armed forces, and (iii) ~~undergoing major surgery.~~ enrollment in school. The guardian may also consent to any necessary remedial, psychological, medical, or surgical treatment for the juvenile. The authority of the guardian shall continue until the guardianship is terminated by court order, until the juvenile is emancipated pursuant to Article ~~56,~~ 56 of this Chapter, or until the juvenile reaches the age of majority."

Section 8. G.S. 7A-651(c) reads as rewritten:

"(c) Any order directing placement of a juvenile in foster care shall also contain:

(1) A finding that the juvenile's continuation in or return to his own home would be contrary to the juvenile's best interest; and

(2) Findings as to whether reasonable efforts have been made to prevent or eliminate the need for placement of the juvenile in foster care. A finding that reasonable efforts were not made ~~to prevent or eliminate the need for placement~~ shall not preclude entry of a dispositional order authorizing placement in foster care when the court finds that such placement is needed for protection of the juvenile. When efforts to prevent the need for the juvenile's placement are precluded by an immediate threat of harm to the juvenile, the court may find that placement of the juvenile in the absence of such efforts is reasonable.

The order may provide for services or other efforts aimed at returning the juvenile promptly to a safe home. If the court finds through written findings of fact that efforts to eliminate the need for placement of the juvenile in custody clearly would be futile or would be inconsistent with the juvenile's safety and need for a safe, permanent home within a reasonable period of time, the court shall specify in its order that reunification efforts are not required or order that reunification efforts cease."

Section 9. G.S. 7A-657 reads as rewritten:

"**§ 7A-657. Review of custody order.**

(a) ~~In any case where the judge removes custody from a parent or person standing in loco parentis because of dependency, neglect or abuse, the juvenile shall not be returned to the parent or person standing in loco parentis unless the judge finds sufficient facts to show that the juvenile will receive proper care and supervision.~~ In any case where custody is removed from a parent, the judge shall conduct a review within six months of the date the order was entered, shall conduct a second review within six months after the first review, and shall conduct subsequent reviews at least

every year thereafter. The Director of Social Services shall make timely requests to the clerk to calendar the case at a session of court scheduled for the hearing of juvenile matters within six months of the date the order was entered. The Director shall make timely requests for calendaring ~~of the yearly reviews thereafter.~~ subsequent reviews. The clerk shall give 15 days' notice of the review to the parent or the person standing in loco parentis, the juvenile if 12 years of age or more, the guardian, foster parent, custodian or agency with custody, the guardian ad litem, and any other person the court may specify, indicating the court's impending review.

(b) Notwithstanding other provisions of this Article, the court may waive the holding of review hearings required by subsection (a), may require written reports to the court by the agency or person holding custody in lieu of review hearings, or order that review hearings be held less often than every 12 months, if the court finds by clear, cogent and convincing evidence that:

(1) The juvenile has ~~been placed~~ resided with a relative or has been in the custody of another suitable person for a ~~continuous~~ period of at least one year; and

(2) The placement is stable and continuation of the placement is in the juvenile's best interest; and

(3) Neither the juvenile's best interests nor the rights of any party require that review hearings be held every 12 months; and

(4) All parties are aware that the matter may be brought before the court for review at any time by the filing of a motion for review or on the court's own motion; and

(5) The court order has designated the relative or other suitable person as the juvenile's permanent caretaker or guardian of the person. ~~at the review at which these findings are made.~~

The court may not waive or refuse to conduct a review hearing if a party files a motion seeking the review.

(c) At every review hearing, the court shall consider information from the Department of Social Services, the court counselor, the juvenile, the parent or person standing in loco parentis, the custodian, the foster parent, the guardian ad litem, and any public or private agency which will aid it in its review.

In each case the court shall consider the following ~~criteria:~~ criteria and make written findings regarding those that are relevant:

(1) Services which have been offered to reunite the ~~family;~~ family, or whether efforts to reunite the family clearly would be futile or inconsistent with the juvenile's safety and need for a safe, permanent home within a reasonable period of time;

(2) Where the juvenile's return home is unlikely, the efforts which have been made to evaluate or plan for other methods of care;

(3) Goals of the foster care placement and the appropriateness of the foster care plan;

(4) A new foster care plan, if continuation of care is sought, that addresses the role the current foster parent will play in the planning for the juvenile;
(5) Reports on the placements the juvenile has had and any services offered to the juvenile and the parent;
(6) When and if termination of parental rights should be considered;
(7) Any other criteria the court deems necessary.

(d) The judge, after making findings of fact, ~~shall have authority to~~ may appoint a guardian of the person for the juvenile pursuant to G.S. 7A-585 or may make any disposition authorized by G.S. 7A-647, including the authority to place the child in the custody of either parent or any relative found by the court to be suitable and found by the court to be in the best interest of the juvenile. If the juvenile is placed in or remains in the custody of the department of social services, the court may authorize the department to arrange and supervise a visitation plan. Except for such visitation, the juvenile shall not be returned to the parent or person standing in loco parentis without a hearing at which the court finds sufficient facts to show that the juvenile will receive proper care and supervision. The court may enter an order continuing the placement under review or providing for a different placement as is deemed to be in the best interest of the juvenile. If at any time custody is restored to a parent, the court shall be relieved of the duty to conduct periodic judicial reviews of the placement.

(d1) At a hearing designated by the court, but at least within 12 months after the juvenile's placement, a review hearing shall be held under this section and designated as a permanency planning hearing. The purpose of the hearing shall be to develop a plan to achieve a safe, permanent home for the juvenile within a reasonable period of time. Notice of the hearing shall inform the parties of the purpose of the hearing. At the conclusion of the hearing, if the juvenile is not returned home, the judge shall make specific findings as to the best plan of care to achieve a safe, permanent home for the juvenile within a reasonable period of time and shall enter an order consistent with those findings.

(e) The provisions of subsections (b), (c), and (d) of G.S. 7A-651 shall apply to any order entered under this section which continues the foster care placement of a juvenile."

Section 10. Article 3 of Chapter 108A of the General Statutes is amended by adding the following new section to read:

"**§ 108A-74. County department failure to provide services; State intervention in or control of service delivery.**

(a) Notwithstanding any other provision of law to the contrary, the Secretary of Human Resources may take action in accordance with this section to ensure the delivery of child welfare services in accordance with State laws and applicable rules. As used in this section, the terms:

(1) 'County department of social services' also means the consolidated human services agency, whichever applies;

(2) 'County director of social services' also means the human services director, whichever applies; and

(3) 'County board of social services' also means the consolidated human services board, whichever applies.

(b) If the Secretary of Human Resources determines that a county department of social services is not providing child protective services, foster care services, or adoption services in accordance with State law and with applicable rules adopted by the Social Services Commission, or fails to demonstrate reasonable efforts to do so, then the Secretary, after providing written notification of intent to the county director of social services, to the chair of the county board of commissioners, and to the chair of the county board of social services, and after providing them with an opportunity to be heard, may intervene in the particular service or services in question. Intervention includes, but is not limited to, the following activities:

(1) Sending staff of the Department of Human Resources to the county department of social services to provide technical assistance and to monitor the services being provided;

(2) Establishing a corrective plan of action to correct inappropriate policies and procedures; and

(3) Advising county personnel as to appropriate policies and procedures.

If within 60 days of completion of the intervention activities, the Secretary finds that the county department of social services is not providing in accordance with State laws and applicable rules the particular service or services for which intervention was initiated, or has not demonstrated reasonable efforts to do so, the Secretary shall withhold State and federal child welfare services administrative funds until the particular service or services are provided in accordance with State laws and applicable rules.

(c) If the Secretary determines that a county department of social services is not providing child protective, foster care, or adoption services in accordance with State law and with applicable rules adopted by the Social Services Commission, or fails to demonstrate reasonable efforts to do so, and the failure to provide the services poses a substantial threat to the safety and welfare of children in the county who receive or are eligible to receive the services, then the Secretary, after providing written notification of intent to the chair of the county board of commissioners, to the chair of the county board of social services, and to the county director of social services, and after providing them with an opportunity to be heard, shall withhold funding for the particular service or services in question and shall ensure the provision of these services through contracts with public or private agencies or by direct operation by the Department of Human Resources.

(d) In the event that the Secretary assumes control of service delivery pursuant to subsection (c) of this section, the county director of social services shall be divested of all service delivery powers conferred upon the director by G.S. 108A-14 and other applicable State law as the powers pertain to the services in question. Upon assumption of control of service delivery, the Secretary may assign any of the powers

and duties of the county director of social services to the Director of the Division of Social Services of the Department of Human Resources or to a contractor as the Secretary deems necessary and appropriate to continue the provision of the services in the county.

(e) In the event the Secretary takes action under this section, the Department of Human Resources shall, in conjunction with the county board of commissioners, the county board of social services, and the county director of social services develop and implement a corrective plan of action. The Department of Human Resources shall also keep the chair of the county board of commissioners, the chair of the county board of social services, and the county director of social services informed of any ongoing concerns or problems with the delivery of the services in question.

(f) Upon the Secretary taking action pursuant to subsection (c) of this section, county funding of the services in question shall continue and at no time during the period of time that the Secretary is taking action shall a county withdraw funds previously obligated or appropriated for the services. Upon the Secretary's assumption of the control of service delivery, the county shall also pay the nonfederal share of any additional cost that may be incurred to operate the services in question at the level necessary to comply fully with State law and Social Services Commission rules.

(g) During the period of time that the Secretary is taking action pursuant to subsection (c) of this section, the Department of Human Resources shall work with the county board of commissioners, the county board of social services, and the county director of social services, to enable service delivery to be returned to the county if and when the Secretary has determined that services can be provided by the county in accordance with State law and applicable rules."

Section 11. Chapter 120 of the General Statutes is amended by adding the following new Article to read:

"ARTICLE 24.

"The Legislative Study Commission on Children and Youth.

"**§ 120-208. Commission created; purpose.**

There is created the Legislative Study Commission on Children and Youth. The purpose of the Commission is to study and evaluate the system of delivery of services to children and youth and to make recommendations to improve service delivery to meet present and future needs of the children and youth of this State. This study shall be a continuing one and the evaluation ongoing.

"**§ 120-209. Commission duties.**

The Commission shall have the following duties:

(1) Study the needs of children and youth. This study shall include, but is not limited to:

a. Determining the adequacy and appropriateness of services:

1. To children and youth receiving child welfare services;

2. To children and youth in the juvenile court system; and

3. Provided by the Division of Social Services and the Division of Youth Services of the Department of Human Resources.

b. Developing methods for identifying and providing services to children and youth not receiving but in need of child welfare services, children and youth at risk of entering the juvenile court system, and children and youth exposed to domestic violence situations.

c. Developing strategies for addressing the issues of school dropout, teen suicide, and adolescent pregnancy.

d. Identifying and evaluating the impact on children and youth of other economic and environmental issues.

e. Identifying obstacles to ensuring that children who are in secure or nonsecure custody are placed in safe and permanent homes within a reasonable period of time and recommending strategies for overcoming those obstacles. The Commission shall consider what, if anything, can be done to expedite the adjudication and appeal of abuse and neglect charges against parents so that decisions may be made about the safe and permanent placement of their children as quickly as possible.

(2) Evaluate problems associated with juveniles who are beyond the disciplinary control of their parents, including juveniles who are runaways, and develop solutions for addressing the problems of those juveniles.

(3) Identify strategies for the development and funding of a comprehensive statewide database relating to children and youth to facilitate State agency planning for delivery of services to children and youth.

(4) Conduct any other studies, evaluations, or assessments necessary for the Commission to carry out its purpose.

"**§ 120-210. Commission membership; terms; compensation.**

(a) The Commission shall consist of 23 members, as follows:

(1) Ten members appointed by the Speaker of the House of Representatives, as follows:

a. Four shall be members of the House of Representatives at the time of their appointment,

b. One shall be the director of a local health department,

c. One shall be the director of a county department of social services,

d. One shall be a representative of the general public who has knowledge of issues relating to children and youth,

e. One shall be a licensed physician who is knowledgeable about the health needs of children and youth, and

f. One shall be a chief district court judge recommended by the Council of Chief District Judges.
g. One shall be a representative from the Covenant with North Carolina Children.

(2) Ten members appointed by the President Pro Tempore of the Senate, as follows:
a. Four shall be members of the Senate at the time of their appointment,
b. One shall be the director of a mental health area authority,
c. One shall be a representative of the Association of County Commissioners,
d. One shall be a representative of the general public who has knowledge of issues relating to children and youth,
e. One shall be a licensed attorney whose practice includes the representation of parents accused of criminal or civil abuse or neglect, and
f. One shall be a chief district court judge recommended by the Council of Chief District Judges.
g. One shall be a representative from the North Carolina Child Advocacy Institute.

(3) The following shall serve ex officio as nonvoting members of the Commission:
a. The Secretary of Human Resources, or the Secretary's designee,
b. The State Superintendent of Public Instruction, or the Superintendent's designee, and
c. The Secretary of Administration, or the Secretary's designee.

(b) Any vacancy shall be filled by the appointing authority who made the initial appointment and by a person having the same qualification. Members' terms shall last for two years. Members may be reappointed for two consecutive terms and may be appointed again after having been off the Commission for two years.

(c) Commission members shall receive no salary as a result of serving on the Commission but shall receive necessary subsistence and travel expenses in accordance with G.S. 120-3.1, 138-5, and 138-6, as applicable.

"**§ 120-211. Commission meetings; public hearings; staff.**

(a) The Commission shall hold its initial meeting at the call of the Speaker of the House of Representatives and the President Pro Tempore of the Senate. Subsequent meetings shall be held upon the call of the Commission cochairs. The Speaker of the House of Representatives and the President Pro Tempore of the Senate shall appoint a cochair each from the membership of the Commission.

(b) The Commission may hold public hearings across the State to solicit public input with respect to issues relating to children and youth.

(c) The Commission may contract for clerical or professional staff or for any other services it may require in the course of its ongoing study. At the request of the Commission, the Legislative Services Commission may supply members of the staff of the Legislative Services Office and clerical assistance to the Commission as the Legislative Services Commission considers appropriate. The Commission may, with the approval of the Legislative Services Commission, meet in the State Legislative Building or the Legislative Office Building.

"**§ 120-212. Commission reports.**

The Commission shall report to the General Assembly and to the Governor the results of its study and recommendations. A written report shall be submitted to each biennial session of the General Assembly at its convening.

"**§ 120-213. Commission authority.**

The Commission has the authority to obtain information and data from all State officers, agents, agencies, and departments, while in discharge of its duties, pursuant to G.S. 120-19, as if it were a committee of the General Assembly."

Section 11.1. G.S. 131D-10.6A reads as rewritten:

"**§ 131D-10.6A. Training by the Division of Social Services required.**

The Division of Social Services, Department of Human Resources, shall continue the in-house training component that provides a mandated minimum of 30 hours of preservice training for foster care parents either prior to licensure or within six months from the date a provisional license is issued pursuant to G.S. 131D-10.3, and 84 hours for foster care workers and adoption ~~care~~ social workers and a mandated minimum of 10 hours of continuing education for all foster care parents and 18 hours for foster care workers and adoption ~~care~~ social workers.'"

Section 12. Sections 1 through 9 of this act become effective October 1, 1997, and apply to actions commenced on and after that date. Section 10 of this act becomes effective January 1, 1998. The remainder of this act is effective when it becomes law.

HOUSE APPROPRIATIONS SUBCOMMITTEE ON HUMAN RESOURCES

MINUTES
July 31, 1997
11:35 a.m.

Representative Charlotte Gardner, Chairman of the House Appropriation Subcommittee on Human Resources, reconvened the committee 10 minutes after the session on July 31, 1997 to hear House Bill 949, Improve Child Protection/Records. (See attached.) The following members were present:

Representative Gardner	Representative Nye
Representative Hurley	Representative Alexander

After Representative Gardner explained the bill, Representative Nye moved a favorable report for the bill to be referred to the floor for consideration. The motion passed.

Barbara R. Hocutt
Barbara R. Hocutt, Clerk

Charlotte Gardner
Representative Charlotte Gardner, Co-Chair

CAG:brh
enclosure

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H D

HOUSE BILL 949
Committee Substitute Favorable 4/29/97
Committee Substitute #2 Favorable 7/21/97
Proposed Committee Substitute H949-PCS4141

Short Title: Improve Child Protection/Records. (Public)

Sponsors:

Referred to:

April 15, 1997

AN ACT TO IMPROVE CHILD PROTECTION BY ALLOWING DISCLOSURE OF CERTAIN RECORDS.

The General Assembly of North Carolina enacts:

Section 1. Chapter 7A of the General Statutes is amended by adding the following new section to read:

"**§ 7A-675.1. Disclosure in child fatality or near fatality cases.**

(a) The following definitions apply in this section:

(1) 'Child fatality' means the death of a child from suspected abuse, neglect, or maltreatment.

(2) 'Near fatality' means a case in which a physician determines that a child is in serious or critical condition as the result of sickness or injury caused by suspected abuse, neglect, or maltreatment.

(3) 'Public agency' means any agency of State government or its subdivisions as defined in G.S. 132-1(a).

(4) 'Findings and information' means a written summary, as allowed by subsections (c) through (f) of this section, of actions taken or services rendered by a public agency following receipt of information that a child might be in need of protection. The written summary shall include any of the following information the agency is able to provide:

a. The dates, outcomes, and results of any actions taken or services rendered.

b. The results of any review by the State Child Fatality Prevention Team, a local child fatality prevention team, a local community child protection team, the Child Fatality Task Force, or any public agency.

c. Confirmation of the receipt of all reports, accepted or not accepted by the county department of social services, for investigation of suspected child abuse, neglect, or maltreatment, including confirmation that investigations were conducted, the results of the investigations, a description of the conduct of the most recent investigation and the services rendered, and a statement of basis for the department's decision.

(b) Notwithstanding any other provision of law and subject to the provisions of subsections (c) through (f) of this section, a public agency shall disclose to the public, upon request, the findings and information related to a child fatality or near fatality if:

(1) A person is criminally charged with having caused the child fatality or near fatality; or

(2) The district attorney has certified that a person would be charged with having caused the child fatality or near fatality but for that person's prior death.

(c) Nothing herein shall be deemed to authorize access to the confidential records in the custody of a public agency, or the disclosure to the public of the substance or content of any psychiatric, psychological, or therapeutic evaluations or like materials or information pertaining to the child or the child's family unless directly related to the cause of the child fatality or near fatality, or the disclosure of information that would reveal the identities of persons who provided information related to the suspected abuse, neglect, or maltreatment of the child.

(d) Within five working days from the receipt of a request for findings and information related to a child fatality or near fatality, a public agency shall consult with the appropriate district attorney and provide the findings and information unless the agency has a reasonable belief that release of the information:

(1) Is not authorized by subsections (a) and (b) of this section;

(2) Is likely to cause mental or physical harm or danger to a minor child residing in the deceased or injured child's household;

(3) Is likely to jeopardize the State's ability to prosecute the defendant;

(4) Is likely to jeopardize the defendant's right to a fair trial;

(5) Is likely to undermine an ongoing or future criminal investigation; or

(6) Is not authorized by federal law and regulations.

(e) Any person whose request is denied may apply to the appropriate superior court for an order compelling disclosure of the findings and information of the public

agency. The application shall set forth, with reasonable particularity, factors supporting the application. The superior court shall have jurisdiction to issue such orders. Actions brought pursuant to this section shall be set down for immediate hearing, and subsequent proceedings in such actions shall be accorded priority by the appellate courts. After the court has reviewed the specific findings and information, in camera, the court shall issue an order compelling disclosure unless the court finds that one or more of the circumstances in subsection (d) of this section exist.

(f) Access to criminal investigative reports and criminal intelligence information of public law enforcement agencies, and confidential information in the possession of the State Child Fatality Prevention Team, the local teams, and the Child Fatality Task Force, shall be governed by G.S. 132-1.4 and G.S. 143-578 respectively. Nothing herein shall be deemed to require the disclosure or release of any information in the possession of a district attorney.

(g) Any public agency or its employees acting in good faith in disclosing or declining to disclose information pursuant to this section shall be immune from any criminal or civil liability that might otherwise be incurred or imposed for such action.

(h) Nothing herein shall be deemed to narrow or limit the definition of 'public records' as set forth in G.S. 132-1(a)."

Section 2. G.S. 7A-675(h) reads as rewritten:

"(h) ~~Nothing in this section shall preclude the necessary sharing of information among authorized agencies.~~ The chief district court judge in each district shall designate by standing order certain agencies in the district as 'agencies authorized to share information'. Agencies so designated shall share with one another, upon request, information that is in their possession that is relevant to any case in which a petition is filed alleging that a juvenile is abused, neglected, or dependent, and shall continue to do so until the juvenile is no longer subject to the juvenile jurisdiction of the court. Agencies that may be designated as 'agencies authorized to share information' include local mental health facilities, local health departments, local departments of social services, local law enforcement agencies, local school administrative units, the district's district attorney's office, the Division of Juvenile Services of the Administrative Office of the Courts, and the Office of Guardian ad Litem Services of the Administrative Office of the Courts. Any information shared among agencies pursuant to this subsection shall remain confidential, shall be withheld from public inspection, and shall be used only for the protection of the juvenile. Nothing in this section or any other provision of law shall preclude any other necessary sharing of information among agencies."

Section 3. Funds appropriated in Senate Bill 352, 5th edition, to the Department of Human Resources, Division of Social Services, for child welfare system improvements shall be used to implement the provisions of this act.

Section 4. Sections 1 and 2 of this act become effective October 1, 1997. The remainder of this act is effective upon becoming law.