

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2011**

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**SENATE BILL 866\*  
Appropriations/Base Budget Committee Substitute Adopted 6/27/12**

Short Title: Essential Adjustments to 2011 Budget.

(Public)

Sponsors:

Referred to:

May 23, 2012

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

4 The General Assembly of North Carolina enacts:

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

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

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

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

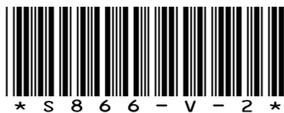
14 **SECTION 2.(a)** Appropriations from federal block grant funds are made for the  
15 fiscal year ending June 30, 2013, according to the following schedule:

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

19  
20 Local Program Expenditures

21  
22 Division of Social Services

23		
24	01. Work First Family Assistance	\$ 60,285,413
25		
26	02. Work First County Block Grants	83,386,330
27		
28	03. Work First Electing Counties	2,378,213
29		
30	04. Adoption Services – Special Children's Adoption Fund	2,026,877
31		
32	05. Child Protective Services – Child Welfare	
33	Workers for Local DSS	14,452,391
34		
35	06. Child Welfare Collaborative	754,115
36		



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

1	Divisions of Social Services and Aging and Adult Services	
2		
3	01. County Departments of Social Services	
4	(Transfer from TANF \$4,148,001)	\$ 30,452,068
5		
6	02. Child Protective Services (Transfer from TANF)	5,040,000
7		
8	03. State In-Home Services Fund	2,101,113
9		
10	04. Adult Protective Services	1,346,047
11		
12	05. State Adult Day Care Fund	2,155,301
13		
14	06. Child Protective Services/CPS Investigative Services-	
15	Child Medical Evaluation Program (Carousel Center for	
16	Abused Children \$134,592)	744,047
17		
18	07. Special Children Adoption Incentive Fund	500,000
19		
20	08. Child Protective Services-Child Welfare Training	
21	for Counties (Transfer from TANF)	1,300,000
22		
23	09. Home and Community Care Block Grant (HCCBG)	1,834,077
24		
25	10. Maternity Homes	925,085
26		
27	11. Child Advocacy Centers	375,000
28		
29	12. Work First – Boys and Girls Clubs	2,452,500
30		
31	13. Food Banks	1,000,000
32		
33	14. Child Care Subsidy	2,598,319
34		
35	15. Guardianship	4,356,604
36		
37	16. UNC Cares Contract	247,920
38		
39	16A. Foster Care Services	1,497,138
40		
41	Division of Public Health	
42		
43	16B. Tobacco Cessation	2,728,000
44		
45	18. Prevent Blindness	150,000
46		
47	Division of Vocational Rehabilitation	
48		
49	19. Vocational Rehabilitation Services – Easter Seal Society/UCP	
50	Community Health Program	188,263
51		

1	Division of Central Management and Support	
2		
3	19A. ALS Association Jim "Catfish" Hunter Chapter	400,000
4		
5	DHHS Program Expenditures	
6		
7	Division of Services for the Blind	
8		
9	20. Independent Living Program	3,633,077
10		
11	21. Accessible Electronic Information for Blind and Disabled Persons	75,000
12		
13	Division of Health Service Regulation	
14		
15	22. Adult Care Licensure Program	411,897
16		
17	23. Mental Health Licensure and Certification Program	205,668
18		
19	DHHS Administration	
20		
21	24. Division of Aging and Adult Services	624,454
22		
23	25. Division of Social Services	604,311
24		
25	26. Office of the Secretary/Controller's Office	138,058
26		
27	27. Division of Child Development	15,000
28		
29	28. Division of Mental Health, Developmental Disabilities, and Substance Abuse Services	29,665
30		
31		
32	29. Division of Health Service Regulation	128,562
33		
34	<b>TOTAL SOCIAL SERVICES BLOCK GRANT</b>	<b>\$ 68,257,174</b>
35		
36	<b>LOW-INCOME HOME ENERGY ASSISTANCE BLOCK GRANT</b>	
37		
38	Local Program Expenditures	
39		
40	Division of Social Services	
41		
42	01. Low-Income Energy Assistance Program (LIEAP)	\$ 14,688,575
43		
44	02. Crisis Intervention Program (CIP)	33,255,130
45		
46	Local Administration	
47		
48	Division of Social Services	
49		
50	03. County DSS Administration	4,444,717
51		

1	DHHS Administration	
2		
3	04.	Office of the Secretary/DIRM 219,490
4		
5	05.	Office of the Secretary/Controller's Office 9,779
6		
7	Transfers to Other State Agencies	
8		
9	Department of Commerce	
10		
11	06.	Weatherization Program 8,464,517
12		
13	07.	Heating Air Repair and Replacement
14		Program (HARRP) 4,073,690
15		
16	08.	Local Residential Energy Efficiency Service
17		Providers – Weatherization 19,825
18		
19	09.	Local Residential Energy Efficiency Service
20		Providers – HARRP 180,041
21		
22	10.	Department of Commerce Administration –
23		Weatherization 19,825
24		
25	11.	Department of Commerce Administration –
26		HARRP 180,041
27		
28	Department of Administration	
29		
30	12.	N.C. Commission on Indian Affairs 87,736
31		
32	TOTAL LOW-INCOME HOME ENERGY ASSISTANCE	
33		BLOCK GRANT \$ 65,643,366
34		
35	<b>CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT</b>	
36		
37	Local Program Expenditures	
38		
39	Division of Child Development	
40		
41	01.	Child Care Services
42		(Smart Start \$7,000,000) \$ 154,695,081
43		
44	02.	Electronic Tracking System 3,000,000
45		
46	03.	Transfer from TANF Block Grant
47		for Child Care Subsidies 71,773,001
48		
49	04.	Quality and Availability Initiatives
50		(TEACH Program \$3,800,000) 26,484,816
51		

1	DHHS Administration	
2		
3	Division of Child Development	
4		
5	05.	DCDEE Administrative Expenses 6,000,000
6		
7	06.	Local Subsidized Child Care Services Support
8		(4% Administrative Allowance) 15,898,602
9		
10	Division of Central Administration	
11		
12	07.	DHHS Central Administration – DIRM
13		Technical Services 775,000
14		
15	<b>TOTAL CHILD CARE AND DEVELOPMENT FUND</b>	
16		<b>BLOCK GRANT \$ 278,626,500</b>
17		
18	<b>MENTAL HEALTH SERVICES BLOCK GRANT</b>	
19		
20	Local Program Expenditures	
21		
22	01.	Mental Health Services – Adult \$ 8,870,595
23		
24	02.	Mental Health Services – Child 5,121,991
25		
26	03.	Administration 100,000
27		
28	<b>TOTAL MENTAL HEALTH SERVICES BLOCK GRANT \$ 14,092,586</b>	
29		
30	<b>SUBSTANCE ABUSE PREVENTION AND TREATMENT BLOCK GRANT</b>	
31		
32	Local Program Expenditures	
33		
34	Division of Mental Health, Developmental Disabilities, and Substance Abuse Services	
35		
36	01.	Substance Abuse Services – Adult \$ 15,328,802
37		
38	02.	Substance Abuse Treatment Alternative for Women 6,050,300
39		
40	03.	Substance Abuse – HIV and IV Drug 3,919,723
41		
42	04.	Substance Abuse Prevention – Child 7,186,857
43		
44	05.	Substance Abuse Services – Child 4,940,500
45		
46	06.	Administration 454,000
47		
48	Division of Public Health	
49		
50	07.	Risk Reduction Projects 575,654
51		

1	08. Aid-to-Counties	190,295
2		
3	TOTAL SUBSTANCE ABUSE PREVENTION	
4	AND TREATMENT BLOCK GRANT	\$ 38,646,131
5		
6	<b>MATERNAL AND CHILD HEALTH BLOCK GRANT</b>	
7		
8	Local Program Expenditures	
9		
10	Division of Public Health	
11		
12	01. Children's Health Services	\$ 8,569,465
13		
14	02. Women's Health	
15	(March of Dimes \$350,000; Teen Pregnancy	
16	Prevention Initiatives \$650,000; Perinatal	
17	Quality Collaborative \$250,000; 17P Project \$47,000)	8,404,244
18		
19	03. Oral Health	42,268
20		
21	DHHS Program Expenditures	
22		
23	Division of Public Health	
24		
25	04. Children's Health Services	1,250,000
26		
27	05. Women's Health	136,628
28		
29	06. State Center for Health Statistics	164,318
30		
31	07. Quality Improvement in Public Health	2,774
32		
33	08. Health Promotion	89,374
34		
35	DHHS Administration	
36		
37	Division of Public Health	
38		
39	09. Division of Public Health Administration	600,000
40		
41	TOTAL MATERNAL AND CHILD	
42	HEALTH BLOCK GRANT	\$ 19,259,071
43		
44	<b>PREVENTIVE HEALTH SERVICES BLOCK GRANT</b>	
45		
46	Local Program Expenditures	
47		
48	Division of Public Health	
49		
50	01. HIV/STD Prevention and Community Planning	180,470
51		

1	DHHS Program Expenditures	
2		
3	Division of Public Health	
4		
5	02.    State Center for Health Statistics	160,000
6		
7	TOTAL PREVENTIVE HEALTH SERVICES BLOCK GRANT	\$ 340,470

8  
9 **COMMUNITY SERVICES BLOCK GRANT**

10	Local Program Expenditures	
11		
12	Office of Economic Opportunity	
13		
14	01.    Community Action Agencies	\$ 18,075,488
15		
16	02.    Limited Purpose Agencies	1,004,194
17		
18	DHHS Administration	
19		
20	03.    Office of Economic Opportunity	1,004,194
21		
22	TOTAL COMMUNITY SERVICES BLOCK GRANT	\$ 20,083,876
23		
24		

25 **GENERAL PROVISIONS**

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

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

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

48 If the Congress of the United States decreases the federal fund availability for any of  
49 the Block Grants or contingency funds and other grants related to existing Block Grants  
50 administered by the Department of Health and Human Services from the amounts appropriated

1 in this section, the Department shall develop a plan to adjust the block grants based on reduced  
2 federal funding.

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

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

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

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

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

### 31 32 **TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) FUNDS**

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

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

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

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

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

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

## 21 **SOCIAL SERVICES BLOCK GRANT**

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

29 **SECTION 2.(m)** The sum of one million three hundred thousand dollars  
30 (\$1,300,000) appropriated in this section in the Social Services Block Grant to the Department  
31 of Health and Human Services, Division of Social Services, for the 2012-2013 fiscal year shall  
32 be used to support various child welfare training projects as follows:

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

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

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

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

1 and are exempt from 10A NCAC 71R .0201(3) requiring a local match of twenty-five percent  
2 (25%).

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

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

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

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

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

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

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

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

50 **SECTION 2.(w)** The sum of one million dollars (\$1,000,000) appropriated in this  
51 section in the Social Services Block Grant for the 2012-2013 fiscal year to the Department of

1 Health and Human Services, Division of Social Services, shall be allocated to North Carolina  
2 Food Bank agencies to be used to purchase and distribute food staples for emergency food  
3 assistance. These funds are exempt from the provisions of 10A NCAC 71R .0201(3).

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

#### 12 **LOW-INCOME HOME ENERGY ASSISTANCE BLOCK GRANT**

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

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

#### 30 **CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT**

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

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

#### 39 **MATERNAL AND CHILD HEALTH BLOCK GRANT**

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

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

3  
 4 **APPROPRIATION OF NER BLOCK GRANTS**

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

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

8  
 9 **COMMUNITY DEVELOPMENT BLOCK GRANT**

10	01. State Administration	\$ 1,000,000
11		
12	<del>02. State Technical Assistance</del>	<del>450,000</del>
13		
14	03. Scattered Site Housing	<del>8,000,000</del> <u>7,200,000</u>
15		
16	04. Economic Development	<del>7,210,000</del> <u>7,000,000</u>
17		
18	05. Small Business/Entrepreneurship	<del>3,000,000</del> <u>2,500,000</u>
19		
20	06. NC Catalyst	<del>5,000,000</del> <u>4,500,000</u>
21		
22	07. Infrastructure	<del>19,740,000</del> <u>20,300,000</u>
23		
24	<del>08. Capacity Building</del>	<del>600,000</del>
25		

26  
 27 **TOTAL COMMUNITY DEVELOPMENT**

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

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

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

38 "SECTION 14.1.(d) Limitations on Community Development Block Grant Funds. – Of  
 39 the funds appropriated in this section for the Community Development Block Grant, the  
 40 following shall be allocated in each category for each program year: up to one million dollars  
 41 (\$1,000,000) may be used for State Administration; ~~up to four hundred fifty thousand dollars~~  
 42 ~~(\$450,000) may be used for State Technical Assistance;~~ up to seven million two hundred thousand dollars (\$7,200,000) may be used for  
 43 ~~Scattered Site Housing;~~ Scattered Site Housing; up to ~~seven million two hundred ten thousand dollars~~  
 44 ~~(\$7,210,000)~~seven million dollars (\$7,000,000) may be used for Economic Development; up to  
 45 ~~three million dollars (\$3,000,000)~~two million five hundred thousand dollars (\$2,500,000) may  
 46 be used for Small Business/Entrepreneurship; up to ~~five million dollars (\$5,000,000)~~four  
 47 million five hundred thousand dollars (\$4,500,000) shall be used for NC Catalyst; up to  
 48 ~~nineteen million seven hundred forty thousand dollars (\$19,740,000)~~twenty million three  
 49 hundred thousand dollars (\$20,300,000) may be used for ~~Infrastructure;~~ Infrastructure; up to ~~six hundred~~  
 50 ~~thousand dollars (\$600,000) may be used for Capacity Building.~~Infrastructure. If federal block  
 51

1 grant funds are reduced or increased by the Congress of the United States after the effective  
2 date of this act, then these reductions or increases shall be allocated in accordance with  
3 subsection (b) or (c) of this section, as applicable.

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

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

15 (2) The State will lose federal block grant funds or receive less federal block  
16 grant funds in the next fiscal year unless a reallocation is made, the  
17 Department of Commerce shall provide a written report to the Commission  
18 on the proposed reallocation and shall identify the reason that failure to take  
19 action will result in the loss of federal funds. If the Commission does not  
20 hear the issue within 30 days of receipt of the report, the Department may  
21 take the action without consulting the Commission.

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

27 (1) A discussion of each of the categories of funding and how the categories  
28 were selected, including information on how a determination was made that  
29 there was a statewide need in each of the categories.

30 (2) Information on the number of applications that were received in each  
31 category and the total dollar amount requested in each category.

32 (3) A list of grantees, including the grantee's name, county, category under  
33 which the grant was funded, the amount awarded, and a narrative description  
34 of the project.

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

## 42 EDUCATION LOTTERY

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

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

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

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

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

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

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

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

## 22

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

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

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

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

49           **SECTION 5.(c)** No State agency receiving money from the National Mortgage  
50 Settlement may make expenditures for purposes not authorized by the General Assembly, nor  
51 may a State agency spend an amount totaling more than that appropriated by the General

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

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

6  
7 **APPROPRIATION OF FUNDS FROM THE EMPLOYMENT SECURITY**  
8 **COMMISSION RESERVE FUND**

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

13  
14 **EXPENDITURE OF FUNDS FOR CERTAIN PURPOSES AUTHORIZED**

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

16 "**§ 143C-6-5. No expenditures for purposes for which the General Assembly has**  
17 **considered but not enacted an appropriation; no fee increases that the General**  
18 **Assembly has rejected.**

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

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

35  
36 **EFFECTIVE DATE**

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