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NC Collaborative for Children, Youth and Families

DATE: March 26, 2021

Date and Time	Committee	Location Legislative Office Building (LOB) Legislative Building (LB) Audio link: https://www.ncleg.gov/Audio
March 30, 10:00 am	House Health (H. 149 on agenda)	643 LOB, livestream
March 31, 8:30 am	House Appropriations	643 LOB, livestream
March 31, 12:00 pm	House Committee on Families, Children, and Aging Policy (H. 261 and H. 212 on agenda)	415 LOB, livestream

Governor Releases His Budget Proposal 2021-2022

The traditional start to the budget process in the Long Session has now occurred. Governor Cooper released his [budget proposal](#) for 2021-2023 on March 24th. Keep in mind that the Governor's budget proposal provides legislators with his priorities but it does not serve as a draft for legislators. The NC General Assembly will craft their own version of the budget for the biennium of State Fiscal Years (SFY) 2021-2022 and 2022-2023 and at least have a goal to have that passed by the beginning of the first year of the biennium on July 1, 2021.

Not surprisingly, teacher and other school personnel pay is a top priority, especially considering the Leandro court case (see below) and the impact of remote learning during the pandemic. Another expected item is the inclusion of Medicaid expansion for approximately 600,000 with a \$0 request for appropriations. The federal American Rescue Plan includes the continuation of the 90% federal match on Medicaid expansion for any new States and adds an additional 5% to the federal match for general Medicaid for two years in any State that hasn't already expanded Medicaid. Governor Cooper notes this incentive in his budget proposal. The Governor also makes recommendations for use of current funds that do not require new appropriation. For example, he recommends that receipts (incoming revenue) be used to improve the NC FAST Child Welfare System and infrastructure modernization and that lottery revenue be used to increase focus on Pre-K children.

Additional Medicaid Transformation Funding

The Governor proposals a change to the Medicaid rebase. The rebase is done when the actual spending on Medicaid is significantly different than the projected or budgeted amount. The Governor notes that a difference is expected due to the launch of the Standard Plan on July 1. To account for this change he is proposing a SFY21-22 \$26.6 M recurring appropriation that increases to \$30.7 M recurring appropriation in SFY22-23. His budget proposal also includes authority to use funds from the Medicaid Transformation Fund for the fee-for-service claims runout, Tailored Plan care management and the Healthy Opportunities pilot.

Budget Item (NR=non-recurring, R=recurring)	SFY21-22	SFY22-23
Increases the Disadvantaged Student Supplemental Funding (DSSF) allotment, transfers the At-Risk Student Services/Alternative Schools allotment funding into the DSSF allotment, and expands allowable uses of the DSSF allotment to incorporate activities allowed under the current at-risk allotment.	\$116 M (NR)	\$222 M (NR)
Help school districts hire more nurses, counselors, psychologists, and social workers to support student physical and mental health.	\$41.5 M (NR)	\$89.9 M (NR)
Funding for Smart Start, additional child care subsidy slots for children in low-income working families, high-quality early intervention services, o decrease the impact of implicit bias on children of color and children with disabilities	\$75.3 M (NR)	\$123.4 M (NR)
Increase Division of Social Service positions to provide additional regional support to local departments of social services.	\$1.5 M (R)	\$1.5 M (R)
Loss of federal revenue due to changes under the Family First Prevention and Services Act	\$6 M (NR)	\$6 M (NR)
Establish a NC DHHS Housing Coordination Office	\$600,000 (R) \$400,000 (NR)	\$600,000 (R)
Increases funding for individualized early intervention services and supports to families with children birth to age three with developmental delays and established medical conditions currently eligible for the NC Infant Toddler Program (Early Intervention)	\$8.1 M (R)	\$10.25 M (R)
Increases Innovations waiver slots by 520. (see S. 350 , a bill to increase Innovations waiver slots by 1000 and a 10-year plan to reduce the waiting list)	\$10 M (R)	\$13.5 M (R)
Increased wages for direct support workers	\$20 M (R)	\$25 M (R)
Mobile Crisis Management to decrease wait times, enhance family engagement, and provide stabilization services up to four weeks post-acute crisis event to better connect children to behavioral health services	\$1.95 M (R)	\$1.95 M (R)

Funding for Re-entry to Resilience which provides intensive reentry support for youth exiting youth development centers	\$5.5 M (R)	\$5.5 M (R)
Funds to allow for a separate Division of Juvenile Justice	\$1.36 M (R)	\$1.36 M (R)

Charles Perusse, State Budget Director, presented the Governor’s proposal to the Joint Appropriations on Thursday using this linked [presentation](#).

Leandro Comprehensive Remedial Plan:

The *Leandro v. State of North Carolina* decision affirmed the fundamental right of every child to have access to a sound basic education. The Courts ruled that North Carolina was not meeting this constitutional requirement. On March 15th, the State submitted the [Leandro Comprehensive Remedial Plan](#) to the Courts. The Plan provides recommended actions and improvements through 2028 that culminate in the State achieving the provision of a sound basic education to every child by 2030. The plan outlines several overall goals related to strengthened teacher training and recruitment. One goal in particular is to create a “system of early education that provides access to high-quality prekindergarten and other early childhood learning opportunities to ensure that all students at-risk of educational failure, regardless of where they live in the State, enter kindergarten on track for school success”. The plan also calls for a scale up of support personnel to attend to the mental health needs of students and puts a focus on early childhood mental health.

Resources:

The [healthcare marketplace](#) open enrollment has been extended through August 15th to assist individuals suffering from the impact of the pandemic. In addition, the American Rescue Plan included subsidies for the insurance plans in the marketplace.

Bills on the Move:

- [H. 132](#), Juvenile Code Rev’s/CIP Recommendations—AB (Agency Bill), passed House.
- [H. 183](#), Juvenile Court Counselors/Sensitivity Training—AB (Agency Bill), passed House and referred to Senate Rules.
- [H. 205](#), Abuse & Neglect Resources in Public Schools, passed House.
- [S. 103](#), Reduce Regulation to Help Children with Autism, passed Senate, passed House Health and re-referred to House Finance.
- [S. 207](#), Various Raise the Age Changes/JJAC Recs., passed Senate.
- [S. 301](#), Expand Expunction Eligibility, reported favorably by Senate Judiciary and Senate Rules.

Other Bills:

- [H. 29](#), Verification of Immigration Status: SAVE
- [H. 32](#), Equity Opportunity Act
- [H. 42](#), 2020 COVID Relief Bill Modifications
- [H. 82](#), Summer Learning Choice for NC Families

[H. 91](#), Reduce Regulation to Help Children with Autism
[H. 149](#), Improving Access to Care through Telehealth
[H. 173](#), Separate Divisions, Juvenile Justice and Adult Corrections—AB (Agency Bill)
[H. 192](#), COVID Response, Supplemental Spending 2020-2021
[H. 212](#), Social Services Reform
[H. 215](#), Early Childhood Data Analytics/Pilot/Guilford
[H. 232](#), LRC Study – Affordable Housing
[H. 249](#), Children with Disabilities Funding Formula
[H. 252/S. 207](#), Various Raise the Age Changes/JJAC Recs.
[H. 260](#), Raise Min. Age/Juvenile Jurisdiction
[H. 262](#), Smart Start Funds
[H. 274](#), 2021 Current Operations Appropriations Act
[H. 277/S. 249](#), The SAVE Act
[H. 298](#), 2021 Current Operations Appropriations Act
[H. 300](#), 2021 Pandemic Recovery Appropriations Act
[H. 305](#), 2021 Omnibus Coronavirus Relief Act
[H. 313](#), 2021 Pandemic Recovery Appropriations Act
[H. 314](#), 2021 Omnibus Coronavirus Relief Act
[H. 325](#), 2021 Omnibus Coronavirus Relief Act
[H. 382](#), Hospital ED Care/Medicaid Behavioral Health Service
[H. 383](#), Medicaid Modernized Hospital Assessments
[H. 389/S. 350](#), NC Innovations Waiver Act of 2021
[H. 424](#), Juveniles/Eliminate LWOP/Parole Eligibility
[S. 37](#), In-Person Learning Choice for Families, ratified, vetoed by Governor on 2/26
[S. 61](#), Dental Services/Medicaid Transformation
[S. 78](#), A Safe Return for In-Person Learning
[S. 86](#), Medicaid Recs/School-Based Health and InCK evaluation/ Child Well-Being Transformation Council Rec
[S. 88](#), NC FAST Child Welfare Case Mgmt./PED Study
[S. 89](#), Regional Supervision/Child Well-Being Transformation Council Rec
[S. 90](#), Social Services Reform/Inter-County Collaboration/Child Well-Being Transformation Council Rec
[S. 93](#), Assisting NC Families in Crisis
[S. 105](#), 2021 Appropriations Act
[S. 106](#), 2021 Appropriations Act
[S. 107](#), 2021 Appropriations Act
[S. 154](#), Fully Funded School Social Works and Psychologists
[S. 350/H. 389](#), NC Innovations Waiver Act of 2021

Bills Signed into Law:

[SL 2021-1](#): COVID Relief Bill Modifications
[SL 2021-3](#): 2021 COVID-19 Response and Relief
[SL 2021-4](#): The Reopen the Schools Act of 2021