

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

H.B. 542
Mar 26, 2025
HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH30215-LUa-85

Short Title: Child Care Mental & Behavioral Services/Funds. (Public)

Sponsors: Representative Lambeth.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO APPROPRIATE FUNDS TO THE NORTH CAROLINA PARTNERSHIP FOR
3 CHILDREN, INC., TO EXPAND MENTAL AND BEHAVIORAL HEALTH SERVICES
4 FOR CHILDREN, FAMILIES, AND STAFF IN CHILD CARE FACILITY SETTINGS
5 AND TO ESTABLISH THE NORTH CAROLINA PARTNERSHIP FOR CHILDREN,
6 INC., SPECIAL FUND.

7 The General Assembly of North Carolina enacts:

8 **SECTION 1.(a)** There is appropriated from the ARPA Temporary Savings Fund,
9 established in Section 1.3(a) of S.L. 2023-7, to the Department of Health and Human Services,
10 Division of Child Development and Early Education, the sum of seven million five hundred
11 thousand dollars (\$7,500,000) in nonrecurring funds for each fiscal year of the 2025-2027 fiscal
12 biennium to be allocated to the North Carolina Partnership for Children, Inc., (NCPC) to expand
13 mental and behavioral health services for children, families, and staff in child care facility settings
14 and out-of-school programs. The NCPC shall spend the funds appropriated in this act in the
15 following budget codes: PSC 5415 Health Care Access and Support, PSC 5505 Parent Education,
16 PSC 3125 Quality Child Care, and PSC 5509 Parents as Teachers. The NCPC shall distribute the
17 funds appropriated in this act to local partnerships, as determined by the NCPC. These funds
18 shall supplement and not supplant existing Smart Start partnership behavioral health spending.
19 Funds appropriated in this act shall not revert at the end of the 2025-2027 fiscal biennium but
20 shall remain available for costs associated with mental and behavioral health initiatives described
21 in this subsection until expended.

22 **SECTION 1.(b)** The NCPC shall submit a progress report on the mental and
23 behavioral health initiatives described in subsection (a) of this section to the Joint Legislative
24 Oversight Committee on Health and Human Services, the Secretary of the Department of Health
25 and Human Services, and the Fiscal Research Division by March 15, 2026, and a final report by
26 November 15, 2027. The progress report and final report shall include all of the following:

- 27 (1) The name of each local partnership that received funds.
28 (2) The number of children served by each local partnership.
29 (3) The types of mental and behavioral health services provided by each local
30 partnership.
31 (4) Recommendations for continuing and/or expanding mental and behavioral
32 health initiatives for children, families, and staff in child care facility settings.

33 **SECTION 1.(c)** Additional funds allocated in this act to the North Carolina
34 Partnership for Children, Inc., from the Department of Health and Human Services, Division of
35 Child Development and Early Education, for each year of the 2025-2027 fiscal biennium are not
36 subject to the administrative cost requirements under Section 9D.5(b) of S.L. 2023-134, child



care services funding requirements under G.S. 143B-168.15(b), child care subsidy expansion requirements under G.S. 143B-168.15(g), or match requirements under Section 9D.5(d) of S.L. 2023-134.

SECTION 2. G.S. 143B-168.15(h) reads as rewritten:

"(h) The North Carolina Partnership for Children, Inc., Special Fund is hereby established as an interest-bearing, nonreverting special fund in the Department of Health and Human Services. Funds appropriated from the General Fund to the Department for Smart Start and the North Carolina Partnership for Children, Inc., (NCPC) shall be deposited in the Fund and shall be used by the NCPC and local partnerships exclusively for the purposes authorized in this section, unless otherwise expressly provided by law. State funds allocated to local partnerships that are unexpended at the end of a fiscal year shall not revert but shall remain available to the North Carolina Partnership for Children, Inc., to reallocate to local partnerships. Notwithstanding G.S. 147-86.11 or any other provision of law to the contrary, the NCPC shall be allowed to hold cash in excess of incurred expenditures at the end of each fiscal year up to five million dollars (\$5,000,000). Not later than August 1 of each year, the NCPC shall provide to the Department of Health and Human Services, Division of Child Development and Early Education, a financial status report for the preceding fiscal year that includes all actual expenditures and remaining cash on hand."

SECTION 3. This act is effective when it becomes law.