

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

H

2

HOUSE BILL 237
Committee Substitute Favorable 3/18/25

Short Title: Child Welfare.

(Public)

Sponsors:

Referred to:

February 27, 2025

A BILL TO BE ENTITLED
AN ACT TO MAKE VARIOUS CHANGES TO THE LAWS AFFECTING JUVENILES AND
ASSOCIATED SERVICES, COUNTY SOCIAL SERVICES BOARDS AND
DEPARTMENTS, REGIONAL SOCIAL SERVICES BOARDS AND DEPARTMENTS,
CONSOLIDATED HUMAN SERVICES BOARDS AND AGENCIES, AND THE NORTH
CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES.

The General Assembly of North Carolina enacts:

PART I. CHILD WELFARE LAW REFORMS

SECTION 1.(a) G.S. 7B-100 reads as rewritten:

"§ 7B-100. Purpose.

This Subchapter shall be interpreted and construed so as to implement the following purposes
and policies:

...

- (5) To provide standards, consistent with the Adoption and Safe Families Act of
1997, P.L. 105-89, for ensuring that the best interests of the juvenile are of
paramount consideration by the court and that when it is not in the juvenile's
best interest to be returned home, the juvenile will be placed in a safe,
permanent home within a reasonable amount of time one year from the date
of the initial order removing custody."

SECTION 1.(b) G.S. 7B-101 reads as rewritten:

"§ 7B-101. Definitions.

As used in this Subchapter, unless the context clearly requires otherwise, the following words
have the listed meanings:

- (1) Abused juveniles. – Any juvenile less than 18 years of age (i) who is found to
be a minor victim of human trafficking under G.S. 14-43.15 or unlawful sale,
surrender, or purchase of a minor under G.S. 14-43.14 or (ii) whose parent,
guardian, custodian, or caretaker:

...

- d. Commits, permits, or encourages the commission of a violation of the
following laws by, with, or upon the juvenile: ~~first degree forcible
rape, as provided in G.S. 14-27.21; second degree forcible rape as
provided in G.S. 14-27.22; statutory rape of a child by an adult as
provided in G.S. 14-27.23; first degree statutory rape as provided in
G.S. 14-27.24; first degree forcible sex offense as provided in
G.S. 14-27.26; second degree forcible sex offense as provided in~~



* H 2 3 7 - V - 2 *

~~G.S. 14-27.27; statutory sexual offense with a child by an adult as provided in G.S. 14-27.28; first degree statutory sexual offense as provided in G.S. 14-27.29; sexual activity by a substitute parent or eustodian as provided in G.S. 14-27.31; sexual activity with a student as provided in G.S. 14-27.32; unlawful sale, surrender, or purchase of a minor, as provided in G.S. 14-43.14; a sexually violent offense, as provided in G.S. 14-208.6(5); crime against nature, as provided in G.S. 14-177; incest, as provided in G.S. 14-178; preparation of obscene photographs, slides, or motion pictures of the juvenile, as provided in G.S. 14-190.5; employing or permitting the juvenile to assist in a violation of the obscenity laws as provided in G.S. 14-190.6; dissemination of obscene material to the juvenile as provided in G.S. 14-190.7 and G.S. 14-190.8; and displaying or disseminating material harmful to the juvenile as provided in G.S. 14-190.14 and G.S. 14-190.15; first and second degree sexual exploitation of the juvenile as provided in G.S. 14-190.16 and G.S. 14-190.17; promoting the prostitution of the juvenile as provided in G.S. 14-205.3(b); and taking indecent liberties with the juvenile, as provided in G.S. 14-202.1; G.S. 14-190.15.~~

- ...
- (15) Neglected juvenile. – Any juvenile less than 18 years of age (i) who is found to be a minor victim of human trafficking under G.S. 14-43.15 or (ii) whose parent, guardian, custodian, or caretaker does any of the following:

- ...
- h. Uses an illegal substance, abuses alcohol, or uses a controlled substance in violation of the law and is unable to care for and provide a safe and appropriate home for the juvenile.
- i. Uses an illegal substance, abuses alcohol, or uses a controlled substance in violation of the law while a child is in utero.

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 suspected abuse or neglect or lives in a home where another juvenile has been subjected to abuse or neglect by an adult who regularly lives in the home.

...."

SECTION 1.(c) G.S. 7B-503(a) reads as rewritten:

"(a) When a request is made for nonsecure custody, the court shall first consider release of the juvenile to the juvenile's parent, relative, guardian, custodian, or other responsible adult. An order for nonsecure custody shall be made only when there is a reasonable factual basis to believe the matters alleged in the petition are true, and any of the following apply:

...

- (7) The juvenile is an infant who was born exposed to alcohol, illegal substances, or controlled substances used in violation of the law. If the parent is enrolled in and meeting or exceeding the benchmarks of a substance abuse treatment program recommended by a medical provider or a local management entity/managed care organization (LME/MCO), then any use of alcohol, illegal substances, or controlled substances in violation of the law shall not be the sole ground for ordering nonsecure custody.

A juvenile alleged to be abused, neglected, or dependent shall be placed in nonsecure custody only when there is a reasonable factual basis to believe that there are no other reasonable means available to protect the juvenile. The developmental and attachment needs of the juvenile must

be considered in making nonsecure custody determinations. In no case shall a juvenile alleged to be abused, neglected, or dependent be placed in secure custody."

SECTION 1.(d) G.S. 7B-505(b) reads as rewritten:

"(b) The court shall order the department of social services to make diligent efforts to notify relatives and other persons with legal custody of a sibling of the juvenile that the juvenile is in nonsecure custody and of any hearings scheduled to occur pursuant to G.S. 7B-506, unless the court finds the notification would be contrary to the best interests of the juvenile. The department of social services shall use due diligence to identify and notify adult ~~relatives~~ relatives, next of kin, and other persons with legal custody of a sibling of the juvenile within 30 days after the initial order removing custody. The department shall file with the court information regarding attempts made to identify and notify adult relatives of the juvenile and persons with legal custody of a sibling of the juvenile. In placing a juvenile in nonsecure custody under this section, 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 unless the court finds that placement with the relative would be contrary to the best interests of the juvenile. The developmental and attachment needs of the child shall be considered by the court when determining whether placement with the relative would be contrary to the best interest of the juvenile."

SECTION 1.(e) G.S. 7B-901(c) reads as rewritten:

"(c) If the disposition order places a juvenile in the custody of a county department of social services, the court shall direct that reasonable efforts for reunification as defined in G.S. 7B-101 shall not be required if the court makes written findings of fact pertaining to any of the following, unless the court concludes that there is compelling evidence warranting continued reunification efforts:

(1) A court of competent jurisdiction determines or has determined that aggravated circumstances exist because the parent has committed or encouraged the commission of, or allowed the continuation of, any of the following upon the juvenile:

...

e. Chronic or toxic exposure to alcohol or controlled substances that causes impairment of or addiction in the ~~juvenile~~ juvenile, including in utero exposure to alcohol, illegal substances, or controlled substances used in violation of the law. The court shall consider whether a parent is enrolled in and meeting or exceeding the benchmarks of a substance abuse treatment program recommended by a medical provider or a local management entity/managed care organization (LME/MCO).

...."

SECTION 1.(f) G.S. 7B-903 reads as rewritten:

"§ 7B-903. Dispositional alternatives for abused, neglected, or dependent juvenile.

...

(a1) In placing a juvenile in out-of-home care under this section, 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 unless the court finds that the placement is contrary to the best interests of the juvenile. The developmental and attachment needs of the child shall be considered by the court when determining whether placement with the relative would be contrary to the best interest of the juvenile. In placing a juvenile in out-of-home care under this section, the court shall also consider whether it is in the juvenile's best interest to remain in the juvenile's community of

1 residence. Placement of a juvenile with a relative outside of this State must be in accordance with
2 the Interstate Compact on the Placement of Children.

3 ...
4 (a5) Once a juvenile who is not a member of a State-recognized tribe as set forth in
5 G.S. 143B-407(a) has resided in the home of a foster parent for a continuous period of at least
6 nine months, the foster parent is deemed to be nonrelative kin for purposes of this section.

7"

8 **SECTION 1.(g)** G.S. 7B-903.1(c) reads as rewritten:

9 "(c) If a juvenile is removed from the home and placed in the custody or placement
10 responsibility of a county department of social services, the director shall not allow unsupervised
11 visitation with or return physical custody of the juvenile to the parent, guardian, custodian, or
12 caretaker without a hearing at which the court finds that the juvenile will receive proper care and
13 supervision in a safe home. Before a county department of social services may recommend
14 unsupervised visits or return of physical custody of the ~~juvenile~~ juvenile, whichever occurs first,
15 to the parent, guardian, custodian, or caretaker from whom the juvenile was removed, a county
16 department of social services shall first observe that parent, guardian, custodian, or caretaker with
17 the juvenile for at least two visits that support the recommendation. Each observation visit shall
18 consist of an observation of not less than one hour with the juvenile, shall be conducted at least
19 seven days apart, and shall occur within 30 days of the hearing at which the department of social
20 services makes the recommendation. A department of social services shall provide
21 documentation of any observation visits that it conducts to the court for its consideration as to
22 whether unsupervised visits or physical ~~eustody~~ custody, whichever occurs first, should be
23 granted to the parent, guardian, custodian, or caretaker from whom the juvenile was removed."

24 **SECTION 1.(h)** G.S. 7B-906.1 reads as rewritten:

25 **"§ 7B-906.1. Review and permanency planning hearings.**

26 (a) The court shall conduct a review or permanency planning hearing within 90 days from
27 the date of the initial dispositional hearing held pursuant to G.S. 7B-901. Review or permanency
28 planning hearings shall be held at least every six months thereafter. If custody has not been
29 removed from a parent, guardian, ~~caretaker~~, or custodian, the hearing shall be designated as a
30 review hearing. If custody has been removed from a parent, guardian, or custodian, or the juvenile
31 was residing with a caretaker at the time the petition was filed, the hearing shall be designated as
32 a permanency planning hearing.

33 ...
34 (d) At each hearing, the court shall consider the following criteria and make written
35 findings regarding those that are relevant:

36 ...
37 (1a) Reports on the juvenile's continuation in the home of the parent, guardian, or
38 custodian; and the appropriateness of the juvenile's continuation in that home.
39 If the juvenile is removed from the custody of a parent, guardian, or custodian
40 at a review hearing, the court shall schedule a permanency planning hearing
41 within 30 days of the ~~review, unless the hearing was noticed and heard as a~~
42 permanency planning hearing review.

43 ...
44 (3) Whether efforts to reunite the juvenile with either parent clearly would be
45 unsuccessful or inconsistent with the juvenile's health or safety and need for a
46 safe, permanent home ~~within a reasonable period of time. one year from the~~
47 date the initial order removing custody was entered, including whether a
48 parent has engaged in any of the factors described under G.S. 7B-901(c). The
49 court shall consider efforts to reunite regardless of whether the juvenile
50 resided with the parent, guardian, or custodian at the time of removal.

51 ...

(i) ~~The~~ At any permanency planning hearing, the court may maintain the juvenile's placement under review or order a different placement, appoint a guardian of the person for the juvenile pursuant to G.S. 7B-600, or order any disposition authorized by G.S. 7B-903, 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 interests of the juvenile.

(l) If the court orders or continues the juvenile's placement in the custody or placement responsibility of a county department of social services, the provisions of G.S. 7B-903.1 shall apply to any order entered under this section.

(n) Notwithstanding other provisions of this Article, the court may waive the holding of permanency planning hearings required by this section, may require written reports to the court by the agency or person holding custody in lieu of permanency planning hearings, or order that permanency planning hearings be held less often than every six months if the court finds by ~~clear,~~ evident, clear and convincing evidence each of the following:

- (1) The juvenile has resided in the placement for a period of at least one year or ~~the juvenile has resided in the placement for at least six consecutive months~~ the parties are in agreement and the court enters a consent order pursuant to G.S. 7B-801(b1).
- (2) The placement is stable, and continuation of the placement is in the juvenile's best interests.
- (3) Neither the juvenile's best interests nor the rights of any party require that permanency planning hearings be held every six months.
- (4) All parties are aware that the matter may be brought before the court for review at any time by the filing of a permanency planning or modification motion ~~for review~~ or on the court's own motion.
- (5) The court order has designated the relative or other suitable person as the juvenile's permanent custodian or guardian of the person.

The court may not waive or refuse to conduct a hearing if a party files a motion seeking the hearing. However, if a guardian of the person has been appointed for the juvenile and the court has also made findings in accordance with subsection (n) of this section that guardianship is the permanent plan for the juvenile, the court shall ~~proceed in accordance with~~ apply the criteria of G.S. 7B-600(b).

...."

SECTION 1.(i) G.S. 7B-1103(a) reads as rewritten:

"(a) A petition or motion to terminate the parental rights of either or both parents to his, her, or their minor juvenile may only be filed by one or more of the following:

...

- (5) Any person with whom the juvenile has resided for a continuous period of ~~18~~ 15 months or more next preceding the filing of the petition or motion.

...."

SECTION 1.(j) G.S. 7B-1109(f) reads as rewritten:

"(f) The burden in such proceedings shall be upon the petitioner or movant and all findings of fact shall be based on ~~clear, cogent, clear~~ and convincing evidence. The rules of evidence in civil cases shall apply. No husband-wife or physician-patient privilege shall be grounds for excluding any evidence regarding the existence or nonexistence of any circumstance authorizing the termination of parental rights."

SECTION 1.(k) G.S. 7B-1111(a) reads as rewritten:

"(a) The court may terminate the parental rights upon a finding of one or more of the following:

...

- (2) The parent has willfully left the juvenile in foster care or placement outside the home for more than ~~12~~nine months without showing to the satisfaction of the court that reasonable progress under the circumstances has been made in correcting those conditions which led to the removal of the juvenile. No parental rights, however, shall be terminated for the sole reason that the parents are unable to care for the juvenile on account of their poverty.

...."

SECTION 1.(l) This section becomes effective October 1, 2025, and applies to petitions or motions to terminate parental rights filed on or after that date.

PART II. REGIONAL ABUSE AND MEDICAL SPECIALIST PROGRAM

SECTION 2.(a) The Regional Abuse and Medical Specialist (RAMS) program staffed within the North Carolina Child Medical Evaluation Program (NC CMEP) through one or more contracts or memorandums of understanding between the Department of Health and Human Services and the Pediatric Department of the UNC School of Medicine is immediately stayed pending compliance with the following:

- (1) Establishment of rules for the program in compliance with Chapter 150A of the General Statutes.
- (2) Amendment of and federal approval of any State plan, which is required to comply with federal laws and regulations and maintain federal funding.
- (3) Federal approval of rules for the RAMS program, which is required to comply with federal laws and regulations and maintain federal funding.

If necessary, any contracts or memorandums of understanding between the Department of Health and Human Services and the UNC School of Medicine regarding the RAMS program shall be modified to comply with the provisions of this section.

SECTION 2.(b) The Social Services Commission shall adopt temporary and permanent rules to implement the RAMS program which shall include:

- (1) Limiting the RAMS team's focus to screened in cases meeting one or more of the following criteria:
 - a. The child is less than 4 years of age and presents with unexplained or poorly explained injuries. Injuries would not be considered poorly explained or unexplained in cases where the discipline or action by the caretaker explains the child's injury and the reporting medical provider states that the mechanism of the injury is plausible for having caused the injury.
 - b. The child is less than 4 years of age and there is a concern for a sexually transmitted infection.
 - c. The child is less than 4 years of age and another child who lives in the home died as a result of suspected abuse or neglect.
 - d. There is concern for medical child abuse (Munchausen by Proxy) to a child of any age.
 - e. The child, regardless of age, has a medically complex issue and one or more of the following is present:
 1. The child requires subspecialty care by two or more specialists.
 2. A second report of medical neglect is received within six months regardless of the prior case outcome.
 3. The child requires devices to sustain their function such as a tracheostomy or g-tube.
 - f. The child is a substance-affected infant.
- (2) Requiring the RAMS team to be contacted if the following criteria are met:

- a. The report of abuse or neglect is screened in for a family or investigative assessment by the local county child welfare agency.
- b. One or more of the criteria of subdivision (1) of this subsection are present.
- (3) Requiring the RAMS team to cease involvement upon a determination that the child does not meet the criteria of subdivision (2) of this subsection or upon the final case decision resulting from the family or investigative assessment, whichever shall occur first.
- (4) Requiring the county director of social services to decide issues where a disagreement between the local social services worker and the RAMS team arises, including:
 - a. Whether the child meets the criteria of subdivision (2) of this subsection.
 - b. The course of action to be taken during the family or investigative assessment.
 - c. The ultimate decision arising from the family or investigative assessment.The county director of social services shall make this determination based on information contained in the case file provided by the RAMS team, provided by the county social worker, and, if applicable, provided by the Regional Child Welfare Consultant. The county director shall make the determination as soon as possible after notification of the disagreement but no later than 24 hours after the disagreement arises.
- (5) Requiring the social worker assigned to the case to notify the county director as soon as possible after a disagreement arises between the social worker and the RAMS team member but no later than four hours after the disagreement arises.
- (6) Requiring the social worker to notify the family to be notified as soon as possible of any decision impacting the family when the RAMS program is involved in the family's case but no later than 24 hours after the decision is made.
- (7) Limiting the RAMS program's role to supporting, guiding, and mentoring county supervisors during the family or investigative assessment phase only. The county supervisor may include the social worker in meetings with the RAMS personnel. The recommendations and suggestions made by the RAMS team are contributions to the county's family or investigative assessment and are not a complete guide of the assessment. The county must follow the policy outlined in the Child Protective Services Family and Investigative Assessments section of the NC Child Welfare policy manual. The county director is ultimately responsible for the safety and well-being of children in their county and is tasked with determining whether protective services should be put in place or a petition filed after making a prompt and thorough assessment to determine the extent of abuse or neglect against the child and the risk of future harm to the child.
- (8) Establishing the frequency in which the RAMS team member and the county social worker supervisor must meet during the family or investigative assessment period.
- (9) Establishing the documentation or information which must be provided to the RAMS team during the family or investigative assessment period.
- (10) Allowing the parent, guardian, or caretaker of the child who is subject to the report of alleged abuse or neglect or their attorney to access all documentation

provided to or generated by the RAMS team during and after the RAMS team's involvement in the matter.

SECTION 2.(c) No later than 30 days after the rulemaking process is complete, the Secretary of the North Carolina Department of Health and Human Services or the Secretary's designee shall submit to the United States Secretary of Health and Human Services or the U.S. Secretary's designee for approval of the following:

(1) A draft of the proposed new rules outlined in subsection (b) of this section.

(2) Any proposed changes to the State plan necessitated by the proposed rules to ensure there is no reduction or elimination of federal funding from any source.

SECTION 2.(d) The Social Services Commission shall initiate temporary and permanent rulemaking within 30 days of this act becoming effective.

SECTION 2.(e) If the United States Secretary of Health and Human Services or the U.S. Secretary's designee determines that any proposed rule, statute, or plan amendment submitted under subsection (c) of this section would negatively impact federal funding provided to North Carolina, then the proposed rules, statutes, and plan amendments submitted shall not become effective. The North Carolina Secretary of Health and Human Services or the Secretary's designee shall notify the Social Services Commission and Rules Review Commission of the United States Department of Health and Human Services' determination regarding the proposed rules, statutes, and plan amendments submitted under subsection (c) of this section within five days of receipt.

SECTION 2.(f) The Division shall report to the Joint Legislative Oversight Committee on Health and Human Services, the chairs of the House Appropriations Committee on Health and Human Services, the chairs of the Senate Appropriations Committee on Health and Human Services, and the Joint Legislative Administrative Procedures Oversight Committee by September 1, 2025, and each year thereafter, on the hiring, training, and oversight of the RAMS program and, if applicable, the progress being made regarding the rulemaking process as provided for in this section. A copy of all reports and plans submitted to the federal government which includes information regarding the RAMS program shall be simultaneously provided to the Joint Legislative Oversight Committee on Health and Human Services, the chairs of the House Appropriations Committee on Health and Human Services, the chairs of the Senate Appropriations Committee on Health and Human Services, and the Joint Legislative Administrative Procedures Oversight Committee.

SECTION 2.(g) This section is effective when it becomes law. If approval by the United States Secretary of Health and Human Services is not required for any State plan amendments or for the proposed rules, the proposed rules shall become effective as provided for in G.S. 150B-21.3. If approval by the United States Secretary of Health and Human Services is required for the proposed rules created pursuant to subsection (a) of this section, or if any amendments to the State plan are necessary because of the proposed rules, the proposed rules shall be effective on the first day of the month that follows the date that the Secretary of the North Carolina Department of Health and Human Services receives notification of approval by the United States Secretary of Health and Human Services and as provided for in G.S. 150B-21.3. The Secretary of the North Carolina Department of Health and Human Services shall report to the Revisor of Statutes the applicable effective date once known.

PART III. PRIVATE CAUSE OF ACTION

SECTION 3.(a) Part 1 of Article 3 of Chapter 143B of the General Statutes is amended by adding a new section to read:

"§ 143B-138.1A. Private cause of action.

If the Secretary of the Department or the Secretary's designee takes any action or causes any action to be taken against an individual through a program created, administered, supervised, or funded by the Department that is operating without going through the required rulemaking

process and the individual experiences a loss or harm, including court costs, attorneys' fees, and other litigation costs, that individual shall have a private cause of action against the Department. The individual must prevail on any claim to be eligible for an award of court costs, attorneys' fees, and other litigation costs."

SECTION 3.(b) This section becomes effective October 1, 2025, and is applicable to actions taken by the Department on or after that date.

PART IV. EDUCATION AND TRAINING REQUIREMENTS FOR COUNTY SOCIAL SERVICES BOARD MEMBERS, REGIONAL SOCIAL SERVICES BOARD MEMBERS, CONSOLIDATED HUMAN SERVICES BOARD MEMBERS, AND COUNTY COMMISSIONERS

SECTION 4.(a) 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 North Carolina Human Resources ~~Commission~~; Commission.
- (2) To advise county and municipal authorities in developing policies and plans to improve the social conditions of the ~~community~~; 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~~; 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~~; commissioners.
- (4a) To attend education and training sessions provided for new board members during the first year they serve on the board.
- (5) To have such other duties and responsibilities as the General Assembly, the Department of Health and Human Services or the Social Services Commission or the board of county commissioners may assign to it."

SECTION 4.(b) G.S. 108A-15.8 reads as rewritten:

"§ 108A-15.8. Regional board of social services.

...

(m) All regional boards of social services members shall attend education and training sessions provided for new board members during the first year they serve on the board."

SECTION 4.(c) The Department of Health and Human Services, Division of Social Services, shall collaborate with key stakeholders, including the North Carolina Association of County Boards of Social Services, the Association of North Carolina County Social Services Directors, the North Carolina Association of County Commissioners, and the University of North Carolina School of Government, to create formal education and training sessions for new county board of social services members in accordance with G.S. 108A-9(4a), as enacted in subsection (a) of this section, and G.S. 108A-15.8(m), as enacted in subsection (b) of this section. The education and training sessions shall include a segment on the potential liabilities of the county or regional board of social services. The education and training sessions shall be available statewide by March 1, 2026.

SECTION 4.(d) G.S. 153A-77(d) reads as rewritten:

"§ 153A-77. Authority of boards of commissioners over commissions, boards, agencies, etc.

...

(d) The consolidated human services board shall have authority to:

- (1) Set fees for departmental services based upon recommendations of the human services director. Fees set under this subdivision are subject to the same restrictions on amount and scope that would apply if the fees were set by a

1 county board of health, a county board of social services, or a mental health,
2 developmental disabilities, and substance abuse area authority.

3 (2) Assure compliance with laws related to State and federal programs.

4 (3) Recommend creation of local human services programs.

5 (4) Adopt local health regulations and participate in enforcement appeals of local
6 regulations.

7 (5) Perform regulatory health functions required by State law.

8 (6) Act as coordinator or agent of the State to the extent required by State or
9 federal law.

10 (7) Plan and recommend a consolidated human services budget.

11 (8) Conduct audits and reviews of human services programs, including quality
12 assurance activities, as required by State and federal law or as may otherwise
13 be necessary periodically.

14 (9) Advise local officials through the county manager.

15 (10) Perform public relations and advocacy functions.

16 (11) Protect the public health to the extent required by law.

17 (12) Perform comprehensive mental health services planning if the county is
18 exercising the powers and duties of an area mental health, developmental
19 disabilities, and substance abuse services board under the consolidated human
20 services board.

21 (13) Develop dispute resolution procedures for human services contractors and
22 clients and public advocates, subject to applicable State and federal dispute
23 resolution procedures for human services programs, when applicable.

24 Except as otherwise provided, the consolidated human services board shall have the powers
25 and duties conferred by law upon a board of health, a social services board, and an area mental
26 health, developmental disabilities, and substance abuse services board.

27 All consolidated human services board members shall attend education and training sessions
28 provided for new board members during the first year they serve on the board.

29 Local employees who serve as staff of a consolidated county human services agency are
30 subject to county personnel policies and ordinances only and are not subject to the provisions of
31 the North Carolina Human Resources Act, unless the county board of commissioners elects to
32 subject the local employees to the provisions of that Act. All consolidated county human services
33 agencies shall comply with all applicable federal laws, rules, and regulations requiring the
34 establishment of merit personnel systems."

35 **SECTION 4.(e)** The Divisions of Social Services, Public Health, and Mental Health,
36 Developmental Disabilities, and Substance Use Services of the Department of Health and Human
37 Services shall collaborate with key stakeholders, including the North Carolina Association of
38 County Boards of Social Services, the Association of North Carolina County Social Services
39 Directors, the North Carolina Association of County Commissioners, the Association of North
40 Carolina Boards of Health, the Commission for Mental Health, Developmental Disabilities, and
41 Substance Abuse Services, and the University of North Carolina School of Government, to create
42 formal education and training sessions for new consolidated human services board members in
43 accordance with G.S. 153A-77(d), as amended in subsection (d) of this section. The education
44 and training sessions shall include a segment on the potential liabilities of the consolidated human
45 services board. The education and training sessions shall be available statewide by March 1,
46 2026.

47 **SECTION 4.(f)** Subsections (a), (b), and (d) of this section become effective March
48 1, 2026, and by March 1, 2027, all current county board of social services members must have
49 participated in the education and training sessions provided in G.S. 108A-9(4a), as enacted by
50 this act, all current regional board of social services members must have participated in the
51 education and training sessions provided in G.S. 108A-15.8(m), as enacted by this act, and all

current consolidated human services board members must have participated in the education and training sessions provided in G.S. 153A-77(d), as amended by this act. The remainder of this section is effective when it becomes law.

PART V. CHILD SUPPORT TRIBUNAL STUDY BY THE ADMINISTRATIVE OFFICE OF THE COURTS

SECTION 5. The Administrative Office of the Courts shall conduct a feasibility and cost study of a proposed child support tribunal, with dedicated court officers to hear child support matters, using quasi-judicial procedures. The study shall include, at a minimum, strategies to address funding, staffing, and a plan for how the proposed changes will be implemented. The Administrative Office of the Courts shall submit a report of its findings and recommendations to the Joint Legislative Oversight Committee on Health and Human Services by May 1, 2026.

PART VI. CONFLICTS OF INTEREST WITHIN COUNTY DEPARTMENTS OF SOCIAL SERVICES

SECTION 6.(a) Part 2B of Article 1 of Chapter 108A of the General Statutes is amended by adding a new section to read:

"§ 108A-15.16. Conflicts of interest.

When conflicts of interest arise in the provision of social services provided by county departments of social services, regional departments of social services, or consolidated human services agencies, the office in which the conflict arose shall work expeditiously to resolve the conflict consistent with applicable law and any policies and procedures established by the Department of Health and Human Services. Policies and procedures shall address financial and practice responsibilities associated with conflicts of interest. Upon identifying a conflict of interest, the office in which the conflict arose shall notify the appropriate authority within the Department of Health and Human Services of the conflict. The Department of Health and Human Services shall have authority to make final decisions regarding conflicts of interest assignments when disputes arise, with the regional office having initial authority when a dispute arises between county departments of social services and consolidated human services agencies, unless no regional office is available, then the central office, and the central office having initial authority when disputes arise between regions. For purposes of this section, a "conflict of interest" occurs when at least one of the following occurs:

- (1) A county department of social services, regional department of social services, or consolidated human services agency is not able to manage the adverse interests of two individuals to whom the office owes a duty to serve.
- (2) A preexisting relationship between an individual and a county that results in a county department of social services', regional department of social services', or consolidated human services agency's inability to objectively fulfill its statutory responsibilities.
- (3) The provision of social services and duty owed by a county department of social services, regional department of social services, or consolidated human services agency conflicts with services and the duty owed by another county department of social services, regional department of social services, or consolidated human services agency."

SECTION 6.(b) The Social Services Commission shall adopt rules regarding conflicts of interest management, including establishing reasonable and specific time lines for resolving conflicts of interest, and shall begin the rulemaking process within 30 days of this section becoming law.

SECTION 6.(c) The Social Services Commission shall report to the Joint Legislative Oversight Committee on Health and Human Services upon adopting rules pursuant to

G.S. 108A-15.16, as enacted in subsection (b) of this section, within 30 days of the adoption of the rules.

PART VII. INTERIM STUDY COMMITTEE TO REVIEW CHILD WELFARE PROGRAMS, POLICIES, AND PROCEDURES AND REVIEW NORTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES' COMPLIANCE WITH RULEMAKING REQUIREMENTS

SECTION 7.(a) The Joint Legislative Oversight Committee (Committee) on Health and Human Services shall do all of the following:

- (1) Study, evaluate, and make recommendations on the following:
 - a. Creating a Foster Ombudsman program, including review of House Bill 665 from the 2023-2024 biennium and House Bill 165 from the current biennium, review of Foster Ombudsman programs and their effectiveness in other states, including Maryland and Texas, and the cost of implementing a Foster Ombudsman program in North Carolina.
 - b. Working with churches and nonprofit/private organizations to provide services and close gaps in services and needs of foster children, foster families, kinship care providers, and to aid in keeping families together, including Least of These, Safe Families for Children, and Adoption-Share.
 - c. Requiring the North Carolina Department of Health and Human Services (DHHS) to review all outstanding policies and guidance that did not go through the proper rulemaking process and requiring DHHS to do so.
 - d. Requiring foster parent and kinship care providers' participation in court proceedings.
- (2) Work with DHHS and county department of social services boards to create more uniform standards regarding child welfare matters and make recommendations based on this work.
- (3) Follow up with DHHS for updated information on the work being done by the Child Welfare and Family Well-Being Transformation Team since its May 2022 interim report and make recommendations based on the information provided.
- (4) Follow up with DHHS regarding status of regional offices required under Ryan's Law (S.L. 2017-41) including services provided, and recommendations for statewide, uniform standards in handling child welfare matters and areas for improving the delivery of child welfare services and make recommendations based on the information provided.
- (5) Work with the Chief Justice of the Supreme Court and his team regarding improvements to child welfare/foster/adoption cases, obtain any updates by Chief Justice Newby's Task Force of Adverse Childhood Experience (ACE) Informed Courts since the release of its final report in December 2023, and make recommendations based on the information provided.
- (6) Follow up with DHHS on the status of the development and implementation of innovative Medicaid services to fill gaps in care for foster children with behavioral health needs and a statewide trauma-informed standardized assessment for foster cases, the status of the working group required to be established under Section 9E.21 of S.L. 2023-134, and make recommendations based on the information provided.

1 (7) Any other issues which the committee deems appropriate for the improvement
2 of the child welfare system.

3 **SECTION 7.(b)** The Committee shall report its findings and any legislative
4 recommendations to the 2026 Regular Session of the 2025 General Assembly prior to its
5 convening.

6
7 **PART VIII. EFFECTIVE DATE**

8 **SECTION 8.** Except as otherwise provided, this act is effective when it becomes
9 law.