

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025**

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SENATE BILL 561

Short Title: The Working Hearts, Empowered Homes Act. (Public)

Sponsors: Senator Theodros (Primary Sponsor).

Referred to: Rules and Operations of the Senate

March 26, 2025

A BILL TO BE ENTITLED
AN ACT INTEGRATING AND EXPANDING HEALTHCARE, CHILD CARE,
NUTRITIONAL ASSISTANCE, AND PREVENTIVE CARE PROGRAMS TO
STRENGTHEN SUPPORT FOR WORKING FAMILIES IN NORTH CAROLINA; AND
APPROPRIATING FUNDS FOR THESE PURPOSES.

Whereas, working families face significant financial and logistical barriers to
accessing essential services such as healthcare, child care, and nutrition assistance; and

Whereas, existing programs that provide support to working families operate
independently, creating inefficiencies and gaps in service delivery for low- and middle-income
families; and

Whereas, integrating and enhancing the State's family support programs and services
will promote economic stability, health equity, and long-term well-being for North Carolina's
working families; Now, therefore,
The General Assembly of North Carolina enacts:

PART I. TITLE

SECTION 1.1. This act shall be known and may be cited as "The Working Hearts,
Empowered Homes Act."

PART II. DEFINITIONS

SECTION 2.1. The following definitions apply in this act:

- (1) Integrated family support services. – Programs and services administered at
the State level that are designed to strengthen families through the provision
of State-funded or State-subsidized child care, nutritional assistance,
healthcare, or preventive care.
- (2) Preventive care. – Healthcare services and activities aimed at reducing
long-term healthcare costs and improving an individual's overall well-being.
- (3) Working families. – Households with one or more adults who are engaged in
employment but require support services to maintain economic stability.

PART III. PROGRAM INTEGRATION

STATEWIDE FAMILY SUPPORT COORDINATION SYSTEM

SECTION 3.1.(a) The Department of Health and Human Services shall coordinate
all family support contracts and activities across divisions. This coordination shall address



duplication, cost efficiency, and effectiveness and shall ensure compliance with federal requirements while maximizing State and federal resources.

SECTION 3.1.(b) The Department of Health and Human Services shall develop a family support coordination system that integrates family support programs, services, and activities offered throughout the State to ensure streamlined access for working families. This system shall consolidate application processes, eligibility requirements, and service delivery methods for family support programs and services.

FAMILY SUPPORT REGIONAL HUBS PILOT PROGRAM

SECTION 3.2.(a) Program Purpose and Funding. – Effective July 1, 2025, there is appropriated from the General Fund to the Department of Health and Human Services the sum of three million dollars (\$3,000,000) in nonrecurring funds for each year of the 2025-2027 fiscal biennium to establish and administer a Regional Hubs Pilot Program (Pilot Program) in up to three different regions of the State. The purpose of this Pilot Program is to evaluate the effectiveness of utilizing regional hubs that are available in person, through the World Wide Web, or through any other means of electronic access to assist working families with gaining access to family support programs and services in one setting. The Pilot Program authorized by this section shall terminate upon the filing of the report required by subsection (b) of this section.

SECTION 3.2.(b) Eligible Use of Funds. – The Department may use the funds appropriated by subsection (a) of this section to enter into a contract with a third-party entity to assist with the design, implementation, and operation of these regional hubs.

SECTION 3.2.(c) Reporting. – By February 1, 2028, the Department of Health and Human Services shall conduct and submit to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division a comprehensive evaluation of the Pilot Program authorized by this section. The evaluation shall include, at a minimum, all of the following information:

- (1) A detailed breakdown of Pilot Program expenditures.
- (2) A description of the design and operation of each regional hub.
- (3) The number of counties and individuals served by each regional hub.
- (4) A recommendation as to whether the Pilot Program should be implemented statewide.

PART IV. SERVICE EXPANSION

CHILD CARE INNOVATION PILOT PROGRAM

SECTION 4.1.(a) Program Purpose and Funding. – Effective July 1, 2025, there is appropriated from the General Fund to the Department of Health and Human Services, Division of Child Development and Early Education (DCDEE), the sum of seven million dollars (\$7,000,000) in nonrecurring funds for each year of the 2025–2027 fiscal biennium to establish and administer a Child Care Innovation Pilot Program (Pilot Program). The purpose of the Pilot Program is to evaluate the effectiveness of targeted child care interventions in improving access for working families, especially those employed in industries with nontraditional work hours or employed by small businesses. Upon the filing of the report required by subsection (c) of this section, the Pilot Program terminates.

SECTION 4.1.(b) Eligible Use of Funds. – The DCDEE shall not use the funds appropriated by subsection (a) of this section for any purpose other than to do one or more of the following:

- (1) To award grants on a competitive basis to small and midsize nonprofit employers that establish or contract for on-site or near-site child care services for their employees. The amount of any competitive grant will be limited to the amount necessary to match the employer's expenses for these on-site or

1 near-site child care services. The DCDEE shall develop an application
2 process, eligibility criteria, and selection criteria for the competitive grants
3 authorized by this section.

4 (2) To award directed grants of up to one thousand dollars (\$1,000) each on a first
5 come, first serve basis to nonprofit or faith-based child care centers located in
6 rural or underserved communities to expand their child caring capacity or
7 extend their hours of operation. The DCDEE shall develop an application
8 process, eligibility criteria, and selection criteria for the microgrants
9 authorized by this section.

10 (3) To fund smaller, innovative child care pilot projects in up to five counties
11 determined by the Department to have the greatest need for expanded access
12 to child care, based on child care availability and economic data.

13 **SECTION 4.1.(c)** Report. – By February 1, 2028, the DCDEE shall report to the Joint
14 Legislative Oversight Committee on Health and Human Services and the Fiscal Research
15 Division on the outcomes of the Pilot Program authorized by this section. The report shall
16 include at least all of the following:

17 (1) An itemized list of expenditures.

18 (2) For any grants awarded under this section:

19 a. The identity and a brief description of each grantee and each program
20 or service offered by the grantee.

21 b. The amount of funding awarded to each grantee.

22 c. The number of individuals served by each grantee and, for the
23 individuals served, the types of services provided to each.

24 d. Any other information requested by the Office of Rural Health as
25 necessary for evaluating the success of the Community Health Grant
26 Program.

27 (3) An evaluation of the outcomes and cost-effectiveness of the Pilot Program.

28 (4) Any other information the DCDEE believes to be necessary for evaluating the
29 success of the Pilot Program.
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31 **NUTRITION ASSISTANCE PILOT PROGRAM**

32 **SECTION 4.2.(a)** Program Purpose and Funding. – Effective July 1, 2025, there is
33 appropriated from the General Fund to the Department of Health and Human Services, Division
34 of Child and Family Well-Being (DCFW), the sum of five million dollars (\$5,000,000) in
35 nonrecurring funds for each year of the 2025–2027 fiscal biennium to establish the Targeted
36 Food Access Pilot Program (Pilot Program). The purpose of this Pilot Program is to improve
37 food security and nutritional outcomes for working families through targeted, community-based
38 strategies. The Pilot Program authorized by this section shall terminate upon the filing of the
39 report required by subsection (c) of this section.

40 **SECTION 4.2.(b)** Eligible Use of Funds. – The DCFW shall not use the funds
41 appropriated by subsection (a) of this section for any purpose other than to do one or more of the
42 following:

43 (1) To support produce prescription programs administered in partnership with
44 local health clinics or federally qualified health centers, targeting working
45 families who have at least one family member with a chronic health condition
46 or that is actively engaged in workforce training. For the purpose of this
47 subdivision, a produce prescription program is a program in which healthcare
48 providers prescribe fruits and vegetables to patients at risk for diet-related
49 health problems or food insecurity, enabling access to healthy produce at low
50 or no cost.

- (2) To support the establishment or expansion of mobile food markets or food delivery programs for working families in areas of the State with food deserts, defined as areas of the State with limited access to affordable, nutritious food due to a lack of grocery stores or other sources of fresh produce within a reasonable distance.
- (3) To support local partnerships with farmers markets, food co-ops, and culturally appropriate food providers to improve food security for working families.
- (4) To provide the State contribution necessary to draw down federal matching funds available through the Food and Nutrition Services Program or nutrition initiatives supported by the United States Department of Agriculture, or both, for the activities described in subdivisions (1) through (3) of this subsection.

SECTION 4.2.(c) Report. – By February 1, 2028, the DCFW shall report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on the Pilot Program authorized by this section. The report shall include at least all of the following information:

- (1) An itemized list of expenditures.
- (2) The number of people served.
- (3) An evaluation of the nutritional impact of the Pilot Program.
- (4) An evaluation of the outcomes and cost-effectiveness of the Pilot Program.
- (5) Any other information the DCFW believes to be necessary for evaluating the success of the Pilot Program.

YEAR-ROUND NUTRITION SERVICE PILOT PROGRAM

SECTION 4.3.(a) Program, Purpose. – To the extent funds are made available for the purpose, the Department of Public Instruction shall establish and administer the Year-Round Nutrition Service Pilot Program (Program) in accordance with the provisions of this section. The purpose of the program is to enable select local school administrative units to provide meals to students at no cost to students through the summer.

SECTION 4.3.(b) Eligibility. – Any local school administrative unit that is or contains schools that are eligible for and participating in the Community Eligibility Provision Program is eligible to apply for the Program.

SECTION 4.3.(c) Application. – The Department of Public Instruction shall develop and release an application for the Program each year. The Department shall notify the local school administrative units selected to participate in the Program by July 15. The Department shall then award grants to all selected local school administrative units.

SECTION 4.3.(d) Program Requirements. – Local school administrative units participating in the Program shall do the following:

- (1) Participate in the National School Lunch Program, School Breakfast Program, and Summer Food Service Program.
- (2) Provide two meals per day, breakfast and lunch, to students at no cost to the students year-round, regardless of the school's instructional calendar.

SECTION 4.3.(e) Report. – No later than January 1 of each year of the Program, the Department shall report to the Joint Legislative Education Oversight Committee at least the following information:

- (1) The selected local school administrative units and the award to each.
- (2) The number of students served through the Program and the number of meals served.
- (3) The number of unfunded applications.

SECTION 4.3.(f) There is appropriated from the General Fund to the Department of Public Instruction the sum of five million dollars (\$5,000,000) in nonrecurring funds for the

2025-2026 fiscal year for the Department to establish and administer the Year-Round Nutrition Service Pilot Program, as enacted by this section.

SECTION 4.3.(g) This section becomes effective July 1, 2025, and applies beginning with the 2025-2026 school year.

PART V. PREVENTIVE HEALTHCARE AND FAMILY WELL-BEING

PREVENTIVE CARE SERVICES

SECTION 5.1. Effective July 1, 2025, there is appropriated from the General Fund to the Department of Health and Human Services, Division of Central Management and Support, Office of Rural Health (ORH), the sum of two million dollars (\$2,000,000) in recurring funds for the 2025-2027 fiscal biennium to be used to provide grants to local health departments, federally qualified health centers, community health centers, and other safety-net providers to expand telehealth services in up to ten counties to enable working families to participate in virtual preventative care services, including wellness checkups, mental health counseling, and pediatric consultations. In selecting grant recipients, the ORH shall prioritize safety-net providers located in low-wealth counties.

PARENTAL HEALTH AND FAMILY SUPPORT SERVICES

SECTION 5.2. Effective July 1, 2025, there is appropriated from the General Fund to the Department of Health and Human Services, Division of Child and Family Well-Being, the sum of three million dollars (\$3,000,000) in recurring funds for each year of the 2025-2027 fiscal biennium to be used to offer employers with 50 or more employees an incentive to offer on-site child care and flexible work hours to accommodate working families.

PART VI. FEDERAL MATCHING FUNDS

SECTION 6.1. It is the intent of the General Assembly that the Department of Health and Human Services and the Department of Public Instruction pursue all available federal matching funds to supplement State investments in integrated family support services.

PART VII. OVERSIGHT AND ACCOUNTABILITY

SECTION 7.1.(a) Creation of Family Support Advisory Board. – There is established the Family Support Advisory Board (Advisory Board) within the Department of Health and Human Services. The Advisory Board shall consist of the following nine members:

- (1) The Director of the Division of Child and Family Well-Being or the Director's designee.
- (2) The Secretary of the Department of Public Instruction or a designee.
- (3) Two members of the House of Representatives appointed by the Speaker of the House of Representatives.
- (4) Two members of the Senate appointed by the President Pro Tempore of the Senate.
- (5) Three members appointed by the Governor, one of whom shall be a representative of a community-based organization, one of whom shall be an expert in healthcare policy, and one of whom shall be an expert in social services.

SECTION 7.1.(b) Chairperson. – A chairperson shall be elected from among the members. The chairperson shall organize and direct the work of the Advisory Board.

SECTION 7.1.(c) Administrative Support. – The Department of Health and Human Services shall provide necessary clerical and administrative support to the Advisory Board.

1 **SECTION 7.1.(d)** Meetings. – The Advisory Board shall meet at least quarterly and
2 at the call of the chairperson. A majority of the Advisory Board constitutes a quorum for the
3 transaction of business.

4 **SECTION 7.1.(e)** Expenses. – Members of the Advisory Board who are State
5 officers or employees shall receive no compensation for serving on the Advisory Board but may
6 be reimbursed for their expenses in accordance with G.S. 138-6. Members of the Advisory Board
7 who are full-time salaried public officers or employees other than State officers or employees
8 shall receive no compensation for serving on the Advisory Board but may be reimbursed for their
9 expenses in accordance with G.S. 138-5(b). All other members of the Advisory Board may
10 receive compensation and reimbursement for expenses in accordance with G.S. 138-5.

11 **SECTION 7.1.(f)** Duties. – The Advisory Board shall provide consultation to the
12 Department of Health and Human Services with respect to the fulfillment of the Department's
13 responsibilities under Section 3.1 of this act.

14 **SECTION 7.1.(g)** Annual Report. – Annually by May 1, beginning May 1, 2027,
15 the Advisory Board shall conduct a comprehensive evaluation of family support services in North
16 Carolina and submit a report of its findings and recommendations to the Joint Legislative
17 Oversight Committee on Health and Human Services and the Fiscal Research Division. The
18 evaluation shall be made publicly available on the Department's website and shall include at least
19 all of the following:

- 20 (1) The impact of integrated family support services on family economic stability.
- 21 (2) The efficiency and effectiveness of the statewide family support coordination
22 system developed pursuant to Section 3.1(b) of this act.
- 23 (3) Gaps and challenges in State-administered family support programs and
24 services requiring policy adjustments.

25 26 **PART VIII. SEVERABILITY**

27 **SECTION 8.1.** If any section or provision of this act is declared unconstitutional or
28 invalid by the courts, it does not affect the validity of this act as a whole or any part other than
29 the part declared to be unconstitutional or invalid.

30 31 **PART IX. EFFECTIVE DATE**

32 **SECTION 9.1.** Except as otherwise provided, this act is effective when it becomes
33 law.