

Legislative Staff Report:

MODIFY REVERSION AND REPORTING DATES FOR CERTAIN HUMAN TRAFFICKING COMMISSION GRANTS

SECTION 16.6.(a) G.S. 7A-354.1 reads as rewritten:

"§ 7A-354.1. Human Trafficking Commission Competitive Grant Program.

...

(c) Grant ~~Maximum.~~ Maximum, Amount, and Term. – The Commission shall set the maximum amount of each grant based upon the availability of funds, provided that no grantee shall receive more than fifty thousand dollars (\$50,000) in grant funds in each State fiscal year. The term of each grant shall be for two fiscal years comprising a State budget biennium. Grant funds and any interest earned on those funds in the possession or control of a grantee that are not expended, made subject to an encumbrance, or disbursed to a subgrantee by August 31 of the fiscal year following the grant term shall revert to the State.

(d) Grantee Reporting. – No later than ~~February 1~~ August 31 of each year following a year in which a grantee received funds pursuant to the Grant Program created under this section, each grantee shall submit a report to the Commission that includes all of the following:

...

(e) Commission Reporting. – No later than ~~April 1~~ October 31 of each year, the Commission shall submit a report on the grants awarded in the previous year to the Senate Appropriations Committee on Justice and Public Safety, the House of Representatives Appropriations Committee on Justice and Public Safety, the Joint Legislative Oversight Committee on Justice and Public Safety, and the Fiscal Research Division. The report shall contain all of the following:

...."

SECTION 16.6.(b) This section becomes effective July 1, 2026, and applies to grants awarded on or after that date.

CONVERT HUMAN TRAFFICKING COMMISSION GRANT MANAGER INTO PERMANENT POSITION

SECTION 16.7. The Office of State Budget and Management shall convert position number 65037969, a time-limited position at the Human Trafficking Commission, into a permanent position.

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Increased Operating:

- Will use a portion to create a new full-time position.
- Will use a portion to assist with other operation costs and commission needs.

27 HTC Operating Expenses

Budget Fund: 100076

Provides additional funding to HTC for operating expenses.
The revised net appropriation for HTC for FY 2026-27 is
\$1,346,108.

Requirements	\$	250,000 R
Less: Receipts	\$	-
Net Appropriation	\$	<u>250,000</u>
FTE		-

HB83 or Session Law 2026-34:

STUDY ON HUMAN TRAFFICKING REPORTING

SECTION 2.(a) The General Assembly finds all of the following:

- (1) Human trafficking is a pervasive crime that often goes undetected. National statistics indicate that hundreds of thousands of people are trafficked in the United States each year, yet the vast majority are never identified.
- (2) North Carolina is recognized as a leader in efforts to combat human trafficking; however, frontline professionals, including law enforcement officers, healthcare providers, teachers, and social workers, often lack the training, tools, and resources necessary to adequately support victim-survivors and hold traffickers accountable. Services remain fragmented and limited, despite a strong desire for collaboration and coordination across sectors.
- (3) Advances in the field have produced effective models for data collection, needs assessment, and landscape analysis at the State, county, and regional levels. These efforts help guide statewide partners in addressing a complex and constantly evolving issue.

SECTION 2.(b) The North Carolina Human Trafficking Commission (Commission) shall conduct a study on human trafficking needs in the State, including information on the development process for a statewide human trafficking reporting and response system (system). After the Commission completed the study, the Commission is encouraged to begin facilitating stakeholder collaboration on the development of a system that facilitates referral to the National Human Trafficking hotline for crisis support as necessary. It is the intent of the General Assembly to establish a system that will (i) notify law enforcement and child protection officials of high

REPORT ON HUMAN TRAFFICKING COMMISSION STUDY

SECTION 16.8. By September 1, 2027, the Human Trafficking Commission shall submit a report to the Joint Legislative Oversight Committee on Justice and Public Safety providing an update on its progress in using funds appropriated in this act to develop a comprehensive State assessment of human trafficking data and efforts to combat human trafficking.

26 Human Trafficking Commission (HTC) Study Budget Fund: 100076 Provides funding to HTC to develop a state and local directory of human trafficking related data and initiatives.	Requirements	\$	205,000 NR
	Less: Receipts	\$	-
	Net Appropriation	\$	205,000
	FTE		-

priority reports, (ii) provide a secure dashboard for authorized personnel to view, triage, and respond to reports, and (iii) support real-time communication between investigators and survivors or reporters with consent.

SECTION 2.(c) This section is effective when it becomes law.

Discuss Motion Vote

Goals with the \$205k:

Comprehensive State Assessment of data and efforts to combat human trafficking.

Develop a state and local directory of related data and initiatives.

Study information on the development process for a human trafficking reporting and response (system).

Suggested motion:

To allow commission staff to split the \$205k appropriated into two separate amounts and contracts, if needed, in order to meet the mandates in these goals. If split, the commission staff can determine the amounts as they deem necessary.

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One hundred eighty thousand dollars (\$180,000) to the North Carolina Human Trafficking Commission for the WORTH Court to support mental health and substance abuse services for human trafficking survivors in Cumberland County."

WORTH COURT TECHNICAL CORRECTION

SECTION 26.5. Notwithstanding Section 6.1(a) of S.L. 2024-1, as amended by Section 2E.1(a) of S.L. 2024-57 and Section 6.1 of S.L. 2025-4, the funds disbursed to the North Carolina Human Trafficking Commission (Commission) for the WORTH Court shall instead be used by the Commission for any purpose within the authority of the Commission.

Discuss Motion Vote

\$180k appropriated in last fiscal year.

\$135k paid to WORTH Court.

\$9k+ spent in FY2025-2026.

Scope of Work expansion and contract extension is need to spend out funds.

Suggested motion:

To allow the WORTH Court program to revise their scope of work and budget, within parameters of what are allowable costs. Adjust the grant agreement (award) from \$180,000 to \$135,000 with an end date of June 30, 2027.