CHAPTER 321
SENATE BILL 27

AN ACT TO MAKE CONTINUATION AND EXPANSION BUDGET APPROPRIATIONS FOR CURRENT OPERATIONS OF STATE DEPARTMENTS, INSTITUTIONS, AND AGENCIES, AND FOR OTHER PURPOSES.

SL93-321

Requested by: Representatives Easterling, Nye, Dickson. Senators Richardson, Hyde, Walker

EARY CHILDHOOD EDUCATION AND DEVELOPMENT INITIATIVES

Sec. 254. (a) Article 3 of Chapter 143B of the General Statutes is amended by adding a new Part to read:

"Part 10B. Early Childhood Initiatives.

§ 143B-168.10. Early childhood initiatives; findings.

The General Assembly finds, upon consultation with the Governor, that every child can benefit from, and should have access to, high-quality early childhood education and development services. The economic future and well-being of the State depend upon it. To ensure that all children have access to quality early childhood education and development services, the General Assembly further finds that:

1. Parents have the primary duty to raise, educate, and transmit values to young preschool children;

2. The State can assist parents in their role as the primary caregivers and educators of young preschool children; and

3. There is a need to explore innovative approaches and strategies for aiding parents and families in the education and development of young preschool children.

§ 143B-168.11. Early childhood initiatives; intent; North Carolina Partnership for Children, Inc.

It is the intent of the General Assembly, upon consultation with the Governor, to support through financial and other means, the North Carolina Partnership for Children, Inc., a nonprofit corporation which has as its mission the development of a comprehensive, long-range strategic plan for early childhood development and the provision, through public and private means, of high-quality early childhood education and development services for children and families.

§ 143B-168.12. Early childhood initiatives; North Carolina Partnership for Children, Inc.; conditions; powers and duties; local demonstration projects; statewide needs and resource assessment; rule making; reporting requirements.
(a) As a condition for receiving funds appropriated to the North Carolina Partnership for Children, Inc., members of the Board of Directors of the North Carolina Partnership for Children, Inc., shall consist of four ex officio members and 29 appointed members. The four ex officio members shall be the Secretary of the Department of Human Resources, the Secretary of the Department of Environment, Health, and Natural Resources, the Superintendent of Public Instruction, and the President of the Department of Community Colleges. The appointed members shall be appointed as follows: six by the Speaker of the House of Representatives, six by the President Pro Tempore of the Senate, and 17 by the Governor. Each of the members appointed by the President Pro Tempore of the Senate shall reside in a separate one of the following congressional districts: 1st, 3rd, 5th, 7th, 9th, and 11th. Each of the members appointed by the Speaker of the House of Representatives shall reside in a separate one of the following congressional districts: 2nd, 4th, 6th, 8th, 10th, and 12th. Four of the members appointed by the Governor shall be members of the party other than the Governor’s party.

As a further condition for receiving funding, the North Carolina Partnership for Children, Inc., shall agree that it shall adopt procedures for its operations that are comparable to those of Article 33C of Chapter 143 of the General Statutes, the Open Meetings Law, and Chapter 132 of the General Statutes, the Public Records Law, and provide for enforcement by the Department. The corporation shall be subject to audit and review by the State Auditor pursuant to Article 5A of Chapter 147 of the General Statutes. The State Auditor shall conduct annual financial and compliance audits of the corporation.

(b) As a condition for receiving funding appropriated to it, the North Carolina Partnership for Children, Inc., shall oversee the development and implementation of 12 local demonstration projects. Each demonstration project shall be coordinated by a new local, private, nonprofit 501(c)(3) organization responsible for developing a comprehensive, collaborative, long-range plan of services to children and families in the service-delivery area. The board of directors of each local nonprofit organization shall consist of members including representatives of public and private nonprofit health and human service agencies, day care providers, the business community, foundations, county and municipal governments, local education units, and families. The Department of Human Resources, in cooperation with the North Carolina Partnership for Children, Inc., may specify in its requests for applications the local agencies that shall be represented on the Board.

As a further condition for receiving funding, these local nonprofit organizations shall agree that they shall adopt procedures for their operations that are comparable to those of Article 33C of Chapter 143 of the General Statutes, the Open Meetings Law, and Chapter 132 of the General Statutes, the Public Records Law, and provide for enforcement by the Department. The organizations shall be subject to audit and review by the State Auditor pursuant to Article 5A of Chapter 147 of the General Statutes. The State Auditor shall conduct annual financial and compliance audits of the organizations.
The Department of Human Resources shall develop a statewide process, in cooperation with the North Carolina Partnership for Children, Inc., to select the local demonstration projects. The 12 local demonstration projects developed and implemented shall be located in the 12 congressional districts, one to a district.

An existing local, private, nonprofit 501(c)(3) organization in the community may apply to serve as the coordinator of a demonstration project if the governance of the project meets the objective of decision making by a broad range of public and private health and human services providers.

[c] Funds appropriated to be allocated to the local demonstration projects for services to children and families shall be used to expand coverage and improve the quality of services. These funds shall not be allocated to any local demonstration project until the Secretary of the Department of Human Resources, upon recommendation of the North Carolina Partnership for Children, Inc., has approved this local allocation. All local plans shall be approved by the Secretary.

d] Funds appropriated to support the local strategic planning process and activities of the North Carolina Partnership for Children, Inc., the local nonprofit organizations, and start-up and related activities shall be available for these purposes upon the effective date of enactment of this Part.

[e] Communities shall be given the maximum flexibility and discretion practicable in developing their plans. Depending on local, regional, or statewide needs, funds may be used to support activities and services that shall be made available and accessible to providers, children, and families on a voluntary basis. These activities and services may include:

(1) Child day care services, including:
   a. Start-up funding for day care providers;
   b. Assistance to enable child day care providers
to conform to licensing and building code requirements;
   c. Needs and resources assessments for child day
care services;
   d. Child day care resources and referral
services;
   e. Enhancement of the quality of child day care
provided;
   f. Technical assistance for child day care
providers; and
   g. Evaluation of plan implementation of child day
care services;

(2) Family- and child-centered services, including
    early childhood education and child development
services, including:
    a. Enhancement of the quality of family- and
child-centered services provided;
    b. Technical assistance for family- and child-
centered services;
    c. Needs and resource assessments for family- and
child-centered services;
    d. Home-centered services; and
e. Evaluation of plan implementation of family- and child-centered services; and

(3) Other appropriate activities and services for child
day care providers and for family- and child-
centered services, including:

a. Staff and organizational development,
leadership and administrative development,
technology assisted education, and long-range
planning; and

b. Procedures to ensure that infants and young
children receive needed health, immunization,
and related services.

(f) The Department of Human Resources, in cooperation with the
North Carolina Partnership for Children, Inc., shall develop a
needs and resource assessment for each county. Of the funds
appropriated to it to implement this Part, the Department may
make available funds to each county for one year to an
appropriate private nonprofit entity or to the county to perform
this assessment.

(g) The Department of Human Resources, in cooperation with the
North Carolina Partnership for Children, Inc., shall adopt any
rules necessary to implement this section, including rules to
ensure that no State funds or local funds used to supplant these
State funds shall be used for personnel sick leave and annual
leave benefits not allowed to State employees.

(h) The Department of Human Resources shall report (i)
quarterly to the Joint Legislative Commission on Governmental
Operations and (ii) to the General Assembly and the Governor by
April 1, 1994, and by March 1, 1995, on the on-going results of
all the local demonstration projects’ work, including all details
of the use to which the allocations were put, and on the
continuing plans of the North Carolina Partnership for Children,
Inc., and of the Department of Human Resources, together with
legislative proposals, including proposals to implement the
program statewide.

(b) Of the funds appropriated to the Department of
Human Resources, the sum of twenty million dollars ($20,000,000)
for the 1993-94 fiscal year and the sum of twenty-eight million
four hundred forty thousand dollars ($28,440,000) for the 1994-95
fiscal year to implement subsection (a) of this section. From
the funds appropriated by this subsection, the Department shall
provide funds for services prescribed in subsection (e) of this
section, for necessary State, regional, and local administration
of this Part, and for the activities of the North Carolina
Partnership for Children, Inc., consistent with the provisions of
subsection (a) of this section.

(c) Effective January 1, 1994, G.S. 110-91(7) reads as
rewritten:

"(7) Staff-Child Ratio. -- In determining the staff-
child ratio, all children younger than 13 years
shall be counted. The Commission shall adopt rules
regarding staff-child ratios, group sizes and
multi-age groupings for each category of facility
other than for infants and toddlers, provided that
each these rules and regulations shall be no less
stringent than those currently required for staff-child ratios as enacted in Section 156(e) of Chapter 757 of the 1985 Session Laws. The staff-child ratios and group sizes for infants and toddlers shall be no less stringent than as follows:

<table>
<thead>
<tr>
<th>Age</th>
<th>Ratio</th>
<th>Group Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 to 12 months</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>12 to 24 months</td>
<td>6</td>
<td>17</td>
</tr>
<tr>
<td>2 to 3 years</td>
<td>10</td>
<td>20</td>
</tr>
</tbody>
</table>

(c1) Notwithstanding any other provision of law to the contrary, religious sponsored facilities operating under G.S. 110-106, and not receiving any State or federal child care subsidies, including subsidies paid by the State or local service agency directly to the facility or to the parent of a child enrolled in the facility, shall have until June 30, 1994, to comply with the lower staff-child ratios for children under age 3 if the religious sponsored facility files with the Department of Human Resources a notice of intent to delay compliance with the ratios and a statement of assurance that the facility will not accept any public child-care subsidy funds until compliance with the ratios is achieved. All religious sponsored facilities shall comply fully with the provisions of G.S. 110-91(7) by July 1, 1994.

(d) Of the funds appropriated to the Department of Human Resources the sum of one million four hundred thousand dollars ($1,400,000) for the 1993-94 fiscal year and the sum of two million two hundred sixteen thousand two hundred ninety-three dollars ($2,216,293) for the 1994-95 fiscal year, shall be used to increase the reimbursement rate for day care providers to implement subsection (c) of this section.

Requested by: Representatives Nye, Easterling, Dickson, Senators Richardson, Hyde, Walker

EARLY CHILDHOOD EDUCATION AND DEVELOPMENT INITIATIVES PLAN

Sec. 255. Counties participating in the Early Childhood Education and Development Initiatives authorized by Part 10B of Article 3 of Chapter 143B of the General Statutes, if enacted by the 1993 General Assembly by the effective date of this act, may use the county's allocation of State and federal child care funds to subsidize child care according to the county's Early Childhood Education and Development Initiatives Plan as approved by the Department of Human Resources. The use of federal funds shall be consistent with the appropriate federal regulations. Day care providers shall, at a minimum, comply with the applicable requirements for State licensure or registration pursuant to Article 7 of Chapter 110 of the General Statutes, with other applicable requirements of State law or rule, including rules adopted for nonregistered day care by the Social Services Commission, and with applicable federal regulations.
REQUESTED BY: Senator Richardson, Representatives Nye, Easterling

EARLY CHILDHOOD EDUCATION AND DEVELOPMENT INITIATIVES QUALITY ASSURANCE/ACCOUNTABILITY

Sec. 257. (a) The General Assembly finds, in consultation with the Governor, that it is essential to begin to develop comprehensive programs that provide high quality early childhood education and development services locally for children and their families. The General Assembly also finds that it is equally essential that these programs be developed in a manner that will provide both quality assurance and performance-based accountability to the children, their families, their communities, and the State.

(b) The Department of Human Resources shall develop and implement a performance-based evaluation system to evaluate the Early Childhood Education and Development Initiatives authorized by Part 10B of Article 3 of Chapter 14B of the General Statutes, if enacted. The Department shall design this system:

(1) To incorporate the elements of a formative evaluation, including process and efficiency studies, and of a summative evaluation, including outcome and effectiveness studies, in order to:
   a. Provide information to the Department and to the General Assembly on how to improve and refine the Programs;
   b. Enable the Department and the General Assembly to assess the overall quality and impact of the existing Programs and any future ones; and
   c. Enable the Department and the General Assembly to determine whether to make the Early Childhood Education and Development Initiatives statewide;

(2) To focus the Programs, as they develop and continue, on quality assurance, by making quality a central and on-going priority and to ensure that quality improvement efforts address outcomes, such as functions and processes, rather than persons, specific details, or paperwork;

(3) To use reliable statistical methods to measure performance of processes, functions, efforts, and outcomes, which methods shall allow adequate tracking of children and families through the program and into the school system, in order to provide a real, objective measure of the outcome of the Programs; and

(4) To provide a detailed fiscal analysis of the use to which State funds for these Programs are put.

(c) The Department shall report to the General Assembly by October 1, 1993, on the system it has developed, prior to the beginning of the system’s implementation. It shall report every three months after that date on the implementation of the system and on the cumulative results of the evaluations as they occur. The Department shall present a final cumulative report to the General Assembly by February 1, 1995.
Requested by: Senators Richardson, Hyde, Walker, Representatives Nye, Easterling, Dickson

IJOINT LEGISLATIVE OVERSIGHT COMMITTEE ON EARLY CHILDHOOD EDUCATION AND DEVELOPMENT INITIATIVES

Sec. 259. Chapter 120 of the General Statutes is amended by adding a new Article to read:

"ARTICLE 12I.

"Joint Legislative Oversight Committee on Early Childhood Education and Development Initiatives.

"§ 120-70.90. Creation and membership of Joint Legislative Oversight Committee on Early Childhood Education and Development Initiatives.

The Joint Legislative Oversight Committee on Early Childhood Education and Development Initiatives is established. The Committee consists of 12 members as follows:

(1) Six members of the Senate appointed by the President Pro Tempore of the Senate; and

(2) Six members of the House of Representatives appointed by the Speaker of the House of Representatives.

Terms on the Committee are for two years and begin on the convening of the General Assembly in each odd-numbered year, except the terms of the initial members, which begin on appointment and end on the day of the convening of the 1995 General Assembly. Members may complete the term of service on the Committee even if they do not seek reelection or are not reelected to the General Assembly, but resignation or removal from service in the General Assembly constitutes resignation or removal from service on the Committee.

A vacancy shall be filled within 30 days by the officer who made the original appointment.

"§ 120-70.91. Purpose and powers of Committee.

(a) The Committee shall examine, on a continuing basis, the Early Childhood Education and Development Initiatives established by Section 254 of this act, in order to make ongoing recommendations to the General Assembly on ways to improve the provision of these programs and services. In this examination, the Committee shall study the budgets, programs, and policies of the 12 local projects, their development and implementation by the North Carolina Partnership for Children, Inc., and their oversight by the Department of Human Resources, to determine whether to recommend that the General Assembly should continue the Initiatives, expand them, or make them statewide and, if the Initiatives are continued, expanded, or made statewide, continue to study the budgets, programs, and policies of the Initiatives, their continued development and their oversight, to determine how to enable the Initiatives to provide the best, most cost-effective, and most equitable early childhood education and development services within the scope of the Initiatives' services and programs.
(b) At the same times and intervals the Department reports to the General Assembly pursuant to Section 257 of this act, the Department shall report to the Committee on the implementation of the Initiatives. After the final report presented pursuant to Section 257, the Department shall continue to report to the Committee every three months. If the Initiatives are discontinued, the Committee terminates.

(c) The Committee may make interim reports to the General Assembly on matters for which it may report to a regular session of the General Assembly. A report to the General Assembly may contain any legislation needed to implement a recommendation of the Committee.

§ 120-70.92. Organization of Committee.

(a) The President Pro Tempore of the Senate and the Speaker of the House of Representatives shall each designate a cochair of the Committee. The Committee shall meet at least once a quarter and may meet at other times upon the joint call of the cochairs.

(b) A quorum of the Committee is seven members. No action may be taken except by a majority vote at a meeting at which a quorum is present. While in the discharge of its official duties, the Committee has the powers of a joint committee under G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4.

(c) Members of the Committee receive subsistence and travel expenses as provided in G.S. 120-3.1. The Legislative Services Commission, through the Legislative Administrative Officer, shall assign professional staff to assist the Committee in its work. Upon the direction of the Legislative Services Commission, the Supervisors of Clerks of the Senate and of the House of Representatives shall assign clerical staff to the Committee. The expenses for clerical employees shall be borne by the Committee.

(d) The Legislative Services Commission may allocate monies from available funds for the work of the Committee.