



**The North Carolina Partnership for Children, Inc.  
Board of Directors Handbook Table of  
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As of July 2020**

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**The North Carolina Partnership for Children, Inc.**  
**Principles of Ethical Conduct for the NCPC**  
**Board of Directors**

*NCPC Board members shall:*

- *Embrace the greater societal acceptance for child well-being and the importance of high quality early childhood services for all children.*
- *Promote public confidence in Smart Start and take ownership of our collective work.*
- *Treat all people with respect and fairness.*
- *Respect the confidentiality of information given about individuals and/or organizations.*
- *Not tolerate or ignore abusive or neglectful behavior to children.*
- *Not engage in conversation or physical acts that may harass, discriminate, intimidate, demean, or personally offend others.*
- *Seek out the truth, tell the truth, and avoid misrepresentation.*
- *Not use their board positions for personal gain.*
- *Act impartially and not seek preferential treatment for any organization or individual inside or outside the agency.*
- *Disclose any relationship during board discussions, where a potential conflict of interest could exist.*
- *Exclude themselves from any decision-making in where a conflict of interest exists.*
- *Avoid any action that would create the appearance that they are violating the law or these ethical standards.*
- *Have the courage to offer a minority opinion when necessary and be willing to listen to and consider other opinions when offered.*
- *Promote open and public discourse of key policy and/or funding discussions.*
- *Embrace the need to be respectful of the concerns, expressions, and ideas that arise from the inherent values of diverse cultures and belief systems.*
- *Be good stewards of the money provided to us.*

*Approved by the Board of Directors September 12, 2003*

Chapter 55A  
North Carolina Nonprofit Corporation Act

[http://www.ncga.state.nc.us/enactedlegislation/statutes/html/bychapter/chapter\\_55a.html](http://www.ncga.state.nc.us/enactedlegislation/statutes/html/bychapter/chapter_55a.html)

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## THE NORTH CAROLINA PARTNERSHIP FOR CHILDREN, INC.

### SMART START LEGISLATION

As of the 2018 Legislative Session

For budget information resulting from the 2018 legislative session, go to  
<https://www.ncleg.net/Sessions/2017/Bills/Senate/PDF/S99v6.pdf>

#### Codified Language

(“Codified” means this language appears in the North Carolina General Statutes and does not change at the end of each legislative session. Passages that are in **boldface and underlined** represent changes made to this language during the **2018** legislative session by **Session Law 2018-5**. Language that has expired or been deleted is **not** included in this document. The appropriation bill this session is **Senate Bill 99**.)

### 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 high-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. [1993, c.321, s. 254(a); 1998-212, s. 12.37B(a).]

#### **§ 143B-168.10C. Adjustments to NC Prekindergarten Program Funds.**

**When developing the base budget, as defined by G.S. 143C-1-1, the Director of the Budget shall include increased funding for the NC Prekindergarten (NC Pre-K) program by an additional nine million three hundred fifty thousand dollars (\$9,350,000) for the 2019-2020 fiscal year and by an additional eighteen million seven hundred thousand dollars (\$18,700,000) for the 2020-2021 fiscal year. An appropriation under this section is a statutory appropriation as defined in G.S. 143C-1-1(d)(28).**

#### **§ 143B-168.11. Early childhood initiatives; purpose; definitions.**

(a) The purpose of this Part is to establish a framework whereby the General Assembly, upon consultation with the Governor, may support through financial and other means, the North Carolina Partnership for Children, Inc. and comparable local partnerships, which have as their missions 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. It is

the intent of the General Assembly that communities be given the maximum flexibility and discretion practicable in developing their plans while remaining subject to the approval of the North Carolina Partnership and accountable to the North Carolina Partnership and to the General Assembly for their plans and for the programmatic and fiscal integrity of the programs and services provided to implement them.

(b) The following definitions apply in this Part:

(1) Board of Directors. -- The Board of Directors of the North Carolina Partnership for Children, Inc.

(2) Department. -- The Department of Health and Human Services.

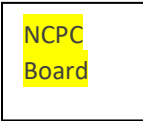
(2a) Early Childhood. -- Birth through five years of age.

(3) Local Partnership. A county or regional private, nonprofit 501(c)(3) organization established to coordinate a local demonstration project to provide ongoing analyses of their local needs that must be met to ensure that the developmental needs of children are met in order to prepare them to begin school healthy and ready to succeed, and, in consultation with the North Carolina Partnership and subject to the approval of the North Carolina Partnership, to provide programs and services to meet these needs under this Part, while remaining accountable for the programmatic and fiscal integrity of their programs and services to the North Carolina Partnership.

(4) North Carolina Partnership. -- The North Carolina Partnership for Children, Inc.

(5) Secretary. -- The Secretary of Health and Human Services. (1993, c. 321, s. 254 (a); 1993 (reg.sess., 1994), c. 766, s.1; 1997-443, s. 11A.118 (a); 1998-212, s. 12.37B (a).)

**§ 143B-168.12. North Carolina Partnership for Children, Inc.; conditions.**



(a) In order to receive State funds, the following conditions shall be met:

(1) The North Carolina Partnership shall have a Board of Directors consisting of the following 26 members:

- a. The Secretary of Health and Human Services, ex officio, or the Secretary's designee.
- b. Repealed by Session Laws 1997, c. 443, s.11A.105.
- c. The Superintendent of Public Instruction, ex officio, or the Superintendent's designee.
- d. The President of the Community Colleges System, ex officio, or the President's designee.
- e. Three members of the public, including one child care provider, one other who is a parent, and one other who is a board chair of a local partnership serving on the North Carolina Partnership local partnership advisory committee, appointed by the General Assembly upon recommendation of the President Pro Tempore of the Senate.
- f. Three members of the public, including one who is a parent, one other who is representative of the faith community, and one other who is a board chair or designee of the board chair of a local partnership serving on the North Carolina Partnership local partnership advisory committee, appointed by the General Assembly upon recommendation of the Speaker of the House of Representatives (SB 119 – 2015).
- g. Twelve members, appointed by the Governor. Three of these 12 members shall be members of the Party other than the Governor's party, appointed by the Governor. Seven of these 12 members

shall be appointed as follows: one who is a child care provider, one other who is a pediatrician one other who is a health care provider, one other who is a parent, one other who is a member of the business community, one other who is a member representing a philanthropic agency, and one other who is an early childhood educator.

- h.** Repealed by Session Laws 1998-212, s.12.37B(a).
- h1.** The Chair of the North Carolina Partnership Board shall be appointed by the Governor.
- i.** Repealed by Session Laws 1998-212, s. 12.37B(a).
- j.** One member of the public appointed by the General Assembly upon recommendation of the Majority Leader of the Senate.
- k.** One member of the public appointed by the General Assembly upon recommendation of the Majority Leader of the House of Representatives.
- l.** One member of the public appointed by the General Assembly upon recommendation of the Minority Leader of the Senate.
- m.** One member of the public appointed by the General Assembly upon recommendation of the Minority Leader of the House of Representatives.
- n.** The Director of the **NC Pre-K Program**, or the Director's designee.

All members appointed to succeed the initial members and members appointed thereafter shall be appointed for three-year terms. Members may succeed themselves.

All appointed board members shall avoid conflicts of interests and the appearance of impropriety. Should instances arise when a conflict may be perceived, any individual who may benefit directly or indirectly from the North Carolina Partnership's disbursement of funds shall abstain from participating in any decision or deliberations by the North Carolina Partnership regarding the disbursement of funds.

NCPC  
Board  
Conflict

All ex officio members are voting members. Each ex officio member may be represented by a designee. These designees shall be voting members. No members of the General Assembly shall serve as members.

The North Carolina Partnership may establish a nominating committee and, in making their recommendations of members to be appointed by the General Assembly or by the Governor, the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Majority Leader of the Senate, the Majority Leader of the House of Representatives, the Minority Leader of the Senate, the Minority Leader of the House of Representatives, and the Governor shall consult with and consider the recommendations of this nominating committee.

NCPC  
Board  
Attendance

The North Carolina Partnership may establish a policy on members' attendance, which policy shall include provisions for reporting absences of at least three meetings immediately to the appropriate appointing authority.

Members who miss more than three consecutive meetings without excuse or members who vacate their membership shall be replaced by the appropriate appointing authority, and the replacing member shall serve either until the General Assembly and the Governor can appoint a successor or until the replaced member's term expires, whichever is earlier.

NCPC to  
establish LP  
Board  
membership

The North Carolina Partnership shall establish a policy on membership of the local boards. No member of the General Assembly shall serve as a member of a local board. Within these requirements for local board membership, the North Carolina Partnership shall allow local partnerships that are regional to have flexibility in the composition

of their boards so that all counties in the region have adequate representation. (Note: These changes made with Session Law 2003-397§10.38.(1))

LP Boards to abstain if conflict

All appointed local board members shall avoid conflicts of interests and the appearance of impropriety. Should instances arise when a conflict may be perceived, any individual who may benefit directly or indirectly from the partnership's disbursement of funds shall abstain from participating in any decision or deliberations by the partnership regarding the disbursement of funds.

Open Mtgs/ Public Record/ Personnel record protection

(2) The North Carolina Partnership and the local partnerships shall agree to 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 procedures may provide for the confidentiality of personnel files comparable to Article 7 of Chapter 126 of the General Statutes.

(3) The North Carolina Partnership shall oversee the development and implementation of the local demonstration projects as they are selected and shall approve the ongoing plans, programs, and services developed and implemented by the local partnerships and hold the local partnerships accountable for the financial and programmatic integrity of the programs and services. The North Carolina Partnership may contract at the State level to obtain services or resources when the North Carolina Partnership determines it would be more efficient to do so.

NCPC approves plan

In the event that the North Carolina Partnership determines that a local partnership is not fulfilling its mandate to provide programs and services designed to meet the developmental needs of children in order to prepare them to begin school healthy and ready to succeed and is not being accountable for the programmatic and fiscal integrity of its programs and services, the North Carolina Partnership may suspend all funds to the partnership until the partnership demonstrates that these defects are corrected. Further, at its discretion, the North Carolina Partnership may assume the managerial responsibilities for the partnership's programs and services until the North Carolina Partnership determines that it is appropriate to return the programs and services to the local partnership.

Power to suspend funds

(4) The North Carolina Partnership shall develop and implement a comprehensive standard fiscal accountability plan to ensure the fiscal integrity and accountability of State funds appropriated to it and to the local partnerships. The standard fiscal accountability plan shall, at a minimum, include a uniform, standardized system of accounting, internal controls, payroll, fidelity bonding, chart of accounts, and contract management and monitoring. The North Carolina Partnership may contract with outside firms to develop and implement the standard fiscal accountability plan. All local partnerships shall be required to participate in the standard fiscal accountability plan developed and adopted by the North Carolina Partnership pursuant to this subdivision.

Accountability Plan

~~(5) The North Carolina Partnership shall develop a regional accounting and contract management system which incorporates features of the required standard fiscal accountability plan described in subdivision (4) of subsection (a) of this section. All local partnerships shall participate in the regional accounting and contract management system. (Repealed by Session Law 2011-145 10.7.(b))~~

MAC

(6) The North Carolina Partnership shall develop a formula for allocating direct services funds appropriated for this purpose to local partnerships.

Formula to allocate services

(7) The North Carolina Partnership may adjust its allocations by up to ten percent (10%) on the basis of local partnerships' performance assessments. In determining whether to adjust its allocations to local partnerships, the North Carolina Partnership shall consider whether the local partnerships are meeting the outcome goals and



objectives of the North Carolina Partnership and the goals and objectives set forth by the local partnerships in their approved annual program plans.

The North Carolina Partnership may use additional factors to determine whether to adjust the local partnerships' allocations. These additional factors shall be developed with input from the local partnerships and shall be communicated to the local partnerships when the additional factors are selected. These additional factors may include board involvement, family and community outreach, collaboration among public and private service agencies, and family involvement.

On the basis of performance assessments, local partnerships annually shall be rated 'superior', 'satisfactory', or 'needs improvement'.

The North Carolina Partnership may contract with outside firms to conduct the performance assessments of local partnerships.

EC  
Profile

(8) The North Carolina Partnership shall establish a local partnership advisory committee comprised of 15 members. Eight of the members shall be chosen from past board chairs or duly elected officers currently serving on local partnerships' board of directors at the time of appointment and shall serve three-year terms. Seven of the members shall be staff of local partnerships. Members shall be chosen by the Chair of the North Carolina Partnership from a pool of candidates nominated by their respective boards of directors. The local partnership advisory committee shall serve in an advisory capacity to the North Carolina Partnership and shall establish a schedule of regular meetings. Members shall be chosen from local partnerships on a rotating basis. The advisory committee shall annually elect a chair from among its members. *(Note: These changes made at Session Law 2003-397 10.38.(m))*

LPAC

(9) This section was repealed by Session law 2001-424. Section 21.75. (h) effective July 1, 2001.

Audits

(b) The North Carolina Partnership shall be subject to audit and review by the State Auditor under Article 5A of Chapter 147 of the General Statutes. The State Auditor shall conduct annual financial and compliance audits of the North Carolina Partnership.

(c) The North Carolina Partnership shall require each local partnership to place in each of its contracts a statement that the contract is subject to monitoring by the local partnership and North Carolina Partnership, that contractors and subcontractors shall be fidelity bonded, unless the contractors or subcontractors receive less than one hundred thousand dollars (\$100,000) or unless the contract is for child care subsidy services, that contractors and subcontractors are subject to audit oversight by the State Auditor, and that contractors and subcontractors shall be subject to the requirements of G.S. 143C-6-22. Organizations subject to G.S. 159-34 shall be exempt from this requirement.

Require  
monitor  
Fidelity  
Bonds

(d) The North Carolina Partnership for Children, Inc. shall make a report no later than December 1 of each year to the General Assembly that shall include the following:

- (1) A description of the program and significant services and initiatives.
- (2) A history of Smart Start funding and the previous fiscal year's expenditures.
- (3) The number of children served by type of service.
- (4) The type and quantity of services provided.
- (5) The results of the previous year's evaluations of the Initiatives or related programs and services.
- (6) A description of significant policy and program changes.

Annual  
Report

(7) Any recommendations for legislative action.

(e) The North Carolina Partnership shall develop guidelines for local partnerships to follow in selecting capital projects to fund. The guidelines shall include assessing the community needs in relation to the quantity of child care centers, assessing the cost of purchasing or constructing new facilities as opposed to renovating existing facilities and prioritizing capital needs such as construction, renovations, and playground equipment and other amenities. [1993, c.321, s. 254 (a); 1993 (Reg. Sess., 1994), c. 766, S. 1; 1995, c. 324, s. 27A.1; 1996, 2<sup>nd</sup> Ex. Sess., c. 18, s. 24.29(b); 1997-443, ss. 11.55 (1), 11A.105; 1998-212, s. 12.37B (a), (b); 1999-84, s. 24; 1999-237, a. 11.48(a); 2000-67, s. 11.28 (a); 2000-67, s. 11.28(a); 2001-424, ss. 21.75(h), 21.75(i); 2002-126, s. 10.55(d).]

Capital Projects

(f) The North Carolina Partnership for Children Inc, shall establish uniform guidelines and a reporting format for local partnerships to document the qualifying expenses occurring at the contractor level. Local partnerships shall monitor qualifying expenses to ensure they have occurred and meet the requirements prescribed in this subsection. [Note: This paragraph was previously included in session law. It was put into General Statute by session law 2003-397 section 10.38.(n).]

FSR

**§ 143B-168.13. Implementation of program; duties of Department and Secretary.**

DCDEE Requirements

The Department shall:

(1) Repealed by Session Laws 1998-212, s.12.37B (a), effective October 30, 1998.

(1a) Develop and conduct a statewide needs and resource assessment every third year, beginning in the 1997-98 fiscal year. This needs assessment shall be conducted in cooperation with the North Carolina Partnership and with the local partnerships. This needs assessment shall include a statewide assessment of capital needs. The Department may contract with an independent firm to conduct the needs assessment. The needs assessment shall be conducted in a way which enables the Department and the North Carolina Partnership to review, and revise as necessary, the total program cost estimate and methodology. The data and findings of this needs assessment shall form the basis for annual program plans developed by local partnerships and approved by the North Carolina Partnership. A report of the findings of the needs assessment shall be presented to the General Assembly prior to April 1,1999, and every three years after that date.

Needs Assessment

(2) Recodified as (a) (1a) by Session Laws 1998-212, s. 12.37B (a).

(2a) Develop and maintain an automated, publicly accessible database of all regulated child care programs.

(3) Repealed by Session Laws 1997, c. 443, s. 11.55(m).

(4) Adopt, in cooperation with the North Carolina Partnership, any rules necessary to implement this Part, including rules to ensure that State leave policy is not applied to the North Carolina Partnership and the local partnerships. In order to allow local partnerships to focus on the development of long-range plans in their initial year of funding, the Department may adopt rules that limit the categories of direct services for young children and their families for which funds are made available during the initial year.

Annually update funding formula

(5) Repealed by Session Laws 1996, Second Extra Session, c. 18, s. 24.29(c).

(6) "Annually update its funding formula, in collaboration with the North Carolina Partnership for Children Inc., using the most recent data available. These amounts shall serve as the basis for determining 'full funding' amounts for each local partnership."

(b) Repealed by Session Laws 1998-212, s. 12.37B(a), effective October 30, 1998. [1993 (Reg. Sess., 1994), c. 766, s.1; 1996, 2nd Ex. Sess., c. 18, s. 24.29(c); 1997-443, s. 11.55(m); 1998-212, s. 12.37B(a), (b); 2000-67, s. 11.28(b).]

**"§ 143B-168.14. Local partnerships; conditions.**

LP Requirements

(a) In order to receive State funds, the following conditions shall be met:

Strategic Plan

(1) Each local partnership shall develop a comprehensive, collaborative, long-range plan of services to children and families in the service-delivery area. No existing local, private, nonprofit 501(c)(3) organization, other than one established on or after July 1, 1993, and that meets the guidelines for local partnerships as established under this Part, shall be eligible to apply to serve as the local partnership for the purpose of this Part. The Board of the North Carolina Partnership may authorize exceptions to this eligibility requirement.

Open Mtgs/  
Public  
Record/  
Personnel  
record  
protection

(2) Each local partnership shall agree to 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 procedures may provide for the confidentiality of personnel files comparable to Article 7 of Chapter 126 of the General Statutes.

(3) Each local partnership shall adopt procedures to ensure that all personnel who provide services to young children and their families under this Part know and understand their responsibility to report suspected child abuse, neglect, or dependency, as defined in G.S. 7A-517.

Report  
child  
abuse

(4) Each local partnership shall participate in the uniform, standard fiscal accountability plan developed and adopted by the North Carolina Partnership.

(b) Each local partnership shall be subject to audit and review by the North Carolina Partnership. The North Carolina Partnership shall contract for annual financial and compliance audits of local partnerships that are rated "needs improvement" in performance assessments authorized in G.S. 143B-168.12(a)(7). Local partnerships that are rated "superior" or "satisfactory" in performance assessments authorized in G.S. 143B-168.12(a)(7) shall undergo biennial financial and compliance audits as contracted for by the North Carolina Partnership. The North Carolina Partnership shall provide the State Auditor with a copy of each audit conducted pursuant to this subsection.

**"§ 143B-168.15. Use of State funds.**

Accountability

(a) State funds allocated to local projects for services to children and families shall be used to meet assessed needs, expand coverage, and improve the quality of these services. The local plan shall address the assessed needs of all children to the extent feasible. It is the intent of the General Assembly that the needs of both young children below poverty who remain in the home, as well as the needs of young children below poverty who require services beyond those offered in child care settings, be addressed. Therefore, as local partnerships address the assessed needs of all children, they should devote an appropriate amount of their State allocations, considering these needs and other available resources, to meet the needs of children below poverty and their families.

NCPC  
must do  
Audits

70%

(b) 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. Of the funds allocated to local partnerships for direct services, seventy percent (70%) of the funds spent in each year shall be used in child care-related activities and early childhood education programs that improve access to child care and early childhood education services, develop new child care and early childhood education services, and improve the quality of child care and early childhood education services in all settings.

(c) Long-term plans for local projects that do not receive their full allocation in the first year, other than those selected in 1993, should consider how to meet the assessed needs of low-income children and families within their neighborhoods or communities. These plans also should reflect a process to meet these needs as additional allocations and other resources are received.

(d) State funds designated for start-up and related activities may be used for capital expenses or to support activities and services for children, families, and providers. State funds designated to support direct services for children, families, and providers shall not be used for major capital expenses unless the North Carolina Partnership approves this use of State funds based upon a finding that a local partnership has demonstrated that (i) this use is a clear priority need for the local plan, (ii) it is necessary to enable the local partnership to provide services and activities to underserved children and families, and (iii) the local partnership will not otherwise be able to meet this priority need by using State or federal funds available to that local partnership. The funds approved for capital projects in any two consecutive fiscal years may not exceed ten percent (10%) of the total funds for direct services allocated to a local partnership in those two consecutive fiscal years.

10% cap

(e) State funds allocated to local partnerships shall not supplant current expenditures by counties on behalf of young children and their families, and maintenance of current efforts on behalf of these children and families shall be sustained. State funds shall not be applied without the Secretary's approval where State or federal funding sources, such as Head Start, are available or could be made available to that county.

No supplant

(f) This section was repealed by Session Law 2001-424. Section 21.75. (g).

30%

(g) Not less than thirty percent (30%) of the funds spent in each year of each local partnership's direct services allocation shall be used to expand child care subsidies. To the extent practicable, these funds shall be used to enhance the affordability, availability, and quality of child care services as described in this section. The North Carolina Partnership may increase this percentage requirement up to a maximum of fifty percent (50%) when, based upon a significant local waiting list for subsidized child care the North Carolina Partnership determines a higher percentage is justified. Local partnerships shall spend an amount for child care subsidies that provides at least fifty-two million dollars (\$52,000,000) for the Temporary Assistance to Needy Families (TANF) maintenance of effort requirement and the Child Care Development Fund and Block Grant match requirement. [1993 (Reg. Sess., 1994), c. 766, s. 1; 1995, c. 509, s. 97; 1996, 2nd Ex. Sess., c. 18, s. 24.29(e); 1997-443, s. 11.55(n); 1997-506, s. 60; 1998-212, s. 12.37B(a), (b); 1999-237, s. 11.48(o); 2000-67, ss. 11.28(c), 11.28(d); 2001-424, s. 21.75 (g); 2014-100 s. 12B.2.(b).]

(h) State funds allocated to local partnerships that are unexpended at the end of a fiscal year shall remain available to the North Carolina Partnership for Children, Inc., to reallocate to local partnerships.

Allow Carry forward

**§ 143B-168.16. Home-centered services; consent.**

No home-centered services including home visits or in-home parenting training shall be allowed under

Require Parent Consent

this Part unless the written, informed consent of the participating parents authorizing the home-centered services is first obtained by the local partnership, educational institution, local school administrative unit, private school, not-for-profit organization, governmental agency, or other entity that is conducting the parenting program. The participating parents may revoke at any time their consent for the home-centered services.

The consent form shall contain a clear description of the program including (i) the activities and information to be provided by the program during the home visits, (ii) the number of expected home visits, (iii) any responsibilities of the parents, (iv) the fact, if applicable, that a record will be made and maintained on the home visits, (v) the fact that the parents may revoke at any time the consent, and (vi) any other information as may be necessary to convey to the parents a clear understanding of the program.

Parents at all times shall have access to any record maintained on home-centered services provided to their family and may place in that record a written response to any information with which they disagree that is in the record. [1993 (Reg. Sess., 1994), c. 766, s. 1.]

Part 10C. Child Care Subsidy.

Child Care Subsidy

#### **§ 143B-168.25. Child care funds matching requirements.**

No local matching funds may be required by the Department of Health and Human Services as a condition of any locality's receiving its initial allocation of child care funds unless federal law requires a match. If the Department reallocates additional funds above twenty-five thousand dollars (\$25,000) to local purchasing agencies beyond their initial allocation, local purchasing agencies must provide a twenty percent (20%) local match to receive the reallocated funds. Matching requirements shall not apply when funds are allocated because of an emergency as defined in G.S. 166A-19.3(6). (2017-57, s. 11B.6.)

#### **§ 143B-168.26. Child care revolving loan.**

Notwithstanding any law to the contrary, funds budgeted for the Child Care Revolving Loan Fund may be transferred to and invested by the financial institution contracted to operate the Fund. The principal and any income to the Fund may be used to make loans, reduce loan interest to borrowers, serve as collateral for borrowers, pay the contractor's cost of operating the Fund, or pay the Department's cost of administering the program. (2017-57, s. 11B.6.)

#### **§ 143B-168.27. Administrative allowance for county departments of social services; use of subsidy funds for fraud detection.**

(a) The Department of Health and Human Services, Division of Child Development and Early Education (Division), shall fund the allowance that county departments of social services may use for administrative costs at four percent (4%) of the county's total child care subsidy funds allocated in the Child Care and Development Fund Block Grant plan or eighty thousand dollars (\$80,000), whichever is greater.

(b) Each county department of social services may use up to two percent (2%) of child care subsidy funds allocated to the county for fraud detection and investigation initiatives.

(c) The Division may adjust the allocations in the Child Care and Development Fund Block Grant according to (i) the final allocations for local departments of social services under subsection (a) of this section and (ii) the funds allocated for fraud detection and investigation initiatives under subsection (b) of this section. The Division shall submit a report on the final adjustments to the allocations of the four percent (4%) administrative costs to the Joint

## 5. Uncodified Language

(Language appearing in this section is applicable only through June 30, 2019. On that date it automatically sunsets and is no longer applicable unless the General Assembly renews it for subsequent years.) **New language from the 2018 legislative session is underlined and in bold type and is from SL 2018-5. All other language remains from SL 2017-57.**

### Senate Bill 257 The Appropriations Act of 2017 Session Law 2017-57 and Senate Bill 99 The Appropriations Act of 2018 Session Law 2018-5

#### SMART START INITIATIVES

**SECTION 11B.8.(a) Policies.** – The North Carolina Partnership for Children, Inc., and its Board shall ensure policies focus on the North Carolina Partnership for Children, Inc.'s mission of improving child care quality in North Carolina for children from birth to five years of age. North Carolina Partnership for Children, Inc.-funded activities shall include assisting child care facilities with (i) improving quality, including helping one-, two-, and three-star-rated facilities increase their star ratings, and (ii) implementing prekindergarten programs. State funding for local partnerships shall also be used for evidence-based or evidence-informed programs for children from birth to five years of age that do the following:

- (1) Increase children's literacy.
- (2) Increase the parents' ability to raise healthy, successful children.
- (3) Improve children's health.
- (4) Assist four- and five-star-rated facilities in improving and maintaining quality.

Evidence-based/  
evidence-informed

**SECTION 11B.8.(b) Administration.** – Administrative costs shall be equivalent to, on an average statewide basis for all local partnerships, not more than eight percent (8%) of the total statewide allocation to all local partnerships. For purposes of this subsection, administrative costs shall include costs associated with partnership oversight, business and financial management, general accounting, human resources, budgeting, purchasing, contracting, and information systems management. The North Carolina Partnership for Children, Inc., shall continue using a single statewide contract management system that incorporates features of the required standard fiscal accountability plan described in G.S. 143B-168.12(a)(4). All local partnerships are required to participate in the contract management system and, directed by the North Carolina Partnership for Children, Inc., to collaborate, to the fullest extent possible, with other local partnerships to increase efficiency and effectiveness.

8%

**SECTION 11B.8.(c) Salaries.** – The salary schedule developed and implemented by the North Carolina Partnership for Children, Inc., shall set the maximum amount of State funds that may be used for the salary of the Executive Director of the North Carolina Partnership for Children, Inc., and the directors of the local partnerships. The North Carolina Partnership for Children, Inc., shall base the schedule on the following criteria:

- (1) The population of the area serviced by a local partnership.
- (2) The amount of State funds administered.
- (3) The amount of total funds administered.
- (4) The professional experience of the individual to be compensated.

Salary  
schedule



(5) Any other relevant factors pertaining to salary, as determined by the North Carolina Partnership for Children, Inc.

The salary schedule shall be used only to determine the maximum amount of State funds that may be used for compensation. Nothing in this subsection shall be construed to prohibit a local partnership from using non-State funds to supplement an individual's salary in excess of the amount set by the salary schedule established under this subsection.

**SECTION 11B.8.(d) Match Requirements.** – The North Carolina Partnership for Children, Inc., and all local partnerships shall, in the aggregate, be required to match one hundred percent (100%) of the total amount budgeted for the program in each fiscal year of the 2017-2019 biennium. Of the funds the North Carolina Partnership for Children, Inc., and the local partnerships are required to match, contributions of cash shall be equal to at least thirteen percent (13%) and in-kind donated resources shall be equal to no more than six percent (6%) for a total match requirement of nineteen percent (19%) for each year of the 2017-2019 fiscal biennium. The North Carolina Partnership for Children, Inc., may carry forward any amount in excess of the required match for a fiscal year in order to meet the match requirement of the succeeding fiscal year. Only in-kind contributions that are quantifiable shall be applied to the in-kind match requirement. Volunteer services may be treated as an in-kind contribution for the purpose of the match requirement of this subsection. Volunteer services that qualify as professional services shall be valued at the fair market value of those services. All other volunteer service hours shall be valued at the statewide average wage rate as calculated from data compiled by the Division of Employment Security of the Department of Commerce in the Employment and Wages in North Carolina Annual Report for the most recent period for which data are available. Expenses, including both those paid by cash and in-kind contributions, incurred by other participating non-State entities contracting with the North Carolina Partnership for Children, Inc., or the local partnerships also may be considered resources available to meet the required private match. In order to qualify to meet the required private match, the expenses shall:

Match

- (1) Be verifiable from the contractor's records.
- (2) If in-kind, other than volunteer services, be quantifiable in accordance with generally accepted accounting principles for nonprofit organizations.
- (3) Not include expenses funded by State funds.
- (4) Be supplemental to and not supplant preexisting resources for related program activities.
- (5) Be incurred as a direct result of the Early Childhood Initiatives Program and be necessary and reasonable for the proper and efficient accomplishment of the Program's objectives.
- (6) Be otherwise allowable under federal or State law.
- (7) Be required and described in the contractual agreements approved by the North Carolina Partnership for Children, Inc., or the local partnership.
- (8) Be reported to the North Carolina Partnership for Children, Inc., or the local partnership by the contractor in the same manner as reimbursable expenses.

Failure to obtain a nineteen-percent (19%) match by June 30 of each year of the 2017-2019 fiscal biennium shall result in a dollar-for-dollar reduction in the appropriation for the Program for a subsequent fiscal year. The North Carolina Partnership for Children, Inc., shall be responsible for compiling information on the private cash and in-kind contributions into a report that is submitted **by October 1 of each year** to the Joint Legislative Oversight Committee on Health and Human Services in a format that allows verification by the Department of Revenue. The same match requirements shall apply to any expansion funds appropriated by the General Assembly.

Bidding

**SECTION 11B.8.(e) Bidding.** – The North Carolina Partnership for Children, Inc., and all local partnerships shall use competitive bidding practices in contracting for goods and services on contract amounts as follows:

- (1) For amounts of five thousand dollars (\$5,000) or less, the procedures specified by a written policy as developed by the Board of Directors of the North Carolina Partnership for Children, Inc.

- (2) For amounts greater than five thousand dollars (\$5,000), but less than fifteen thousand dollars (\$15,000), three written quotes.
- (3) For amounts of fifteen thousand dollars (\$15,000) or more, but less than forty thousand dollars (\$40,000), a request for proposal process.
- (4) For amounts of forty thousand dollars (\$40,000) or more, a request for proposal process and advertising in a major newspaper.

35,000 population

**SECTION 11B.8.(f) Allocations.** – The North Carolina Partnership for Children, Inc., shall not reduce the allocation for counties with less than 35,000 in population below the 2012-2013 funding level.

**SECTION 11B.8.(g) Performance-Based Evaluation.** – The Department of Health and Human Services shall continue to implement the performance-based evaluation system.

**SECTION 11B.8.(h) Expenditure Restrictions.** – **The Except as provided in subsection (i) of this section,** the Department of Health and Human Services and the North Carolina Partnership for Children, Inc., shall ensure that the allocation of funds for Early Childhood Education and Development Initiatives for the 2017-2019 fiscal biennium shall be administered and distributed in the following manner:

No capital exp.

- (1) Capital expenditures are prohibited for the 2017-2019 fiscal biennium. For the purposes of this section, "capital expenditures" means expenditures for capital improvements as defined in G.S. 143C-1-1(d)(5).
- (2) Expenditures of State funds for advertising and promotional activities are prohibited for the 2017-2019 fiscal biennium. For the 2017-2019 fiscal biennium, local partnerships shall not spend any State funds on marketing campaigns, advertising, or any associated materials. Local partnerships may spend any private funds the local partnerships receive on those activities.

No ads

**SECTION 11B.8.(i) Notwithstanding subsection (h) of this section, the North Carolina Partnership for Children, Inc., and local partnerships may use up to one percent (1%) of State funds for fund-raising activities. Beginning October 1, 2019, the North Carolina Partnership for Children, Inc., shall submit a report, in conjunction with the report required under subsection (d) of this section, to the Joint Legislative Oversight Committee on Health and Human Services on the use of State funds for fund-raising. The report shall include the following:**

- (1) The amount of funds expended on fund-raising.**
- (2) Any return on fund-raising investments.**
- (3) Any other information deemed relevant.**

**CLARIFY LANGUAGE/DOLLY PARTON'S IMAGINATION LIBRARY EARLY LITERACY INITIATIVE**

DPIL

**SECTION 11B.5 Section 11B.9(b) of S.L. 2017-57 reads as rewritten:**

**SECTION 11B.9.(a)** Funds allocated to the North Carolina Partnership for Children, Inc., from the Department of Health and Human Services, shall be used to increase access to Dolly Parton's Imagination Library, an early literacy program that mails age-appropriate books on a monthly basis to children registered for the program, with the intent that, upon full implementation, access to the program shall be statewide.

**SECTION 11B.9.(b)** The North Carolina Partnership for Children, Inc., may use up to ~~two percent (2%)~~ **one percent (1%)** of the funds for statewide program **management and up to one percent (1%) of the funds for program** evaluation. Funds appropriated under this section shall not be subject to administrative costs requirements under Section 11B.8(b) of this act, nor shall these funds be subject to the 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 the match requirements under Section 11B.8(d) of this act.

**SECTION 11B.9.(c)** The North Carolina Partnership for Children, Inc., shall report on the success of the early literacy initiative, including any recommendations, to the Joint Legislative Oversight Committee on Health and

NC Pre-K Audits



Human Services by March 1, 2018. The report shall include participation rates for Dolly Parton's Imagination Library.

## NC PRE-K AUDITS

**SECTION 11B.1.(f)** Audits. – The administration of the NC Pre-K program by local partnerships shall be subject to the financial and compliance audits authorized under G.S. 143B-168.14(b).

### Smart Start Related Special Provisions

Changes **Underlined** and in **Boldface** appearing below are from **Senate Bill 99** from the 2018 Legislative Session (SL 2018-5). All other provisions are from Senate Bill 257 (Session Law 2017-57)

#### DEPARTMENT OF HEALTH AND HUMAN SERVICES

B-3 Council

CREATION OF A B-3 INTERAGENCY COUNCIL. THE COUNCIL WILL BE JOINTLY LED BY THE DEPARTMENT OF HEATH AND HUMAN SERVICES AND THE DEPARTMENT OF PUBLIC INSTRUCTION.

#### ESTABLISH B-3 INTERAGENCY COUNCIL

SECTION 7.231.(a) Chapter 115C of the General Statutes is amended by adding a new Article to read:

"Article 6D.

"B-3 Interagency Council.

"§ 115C-64.25. Establishment and membership of B-3 Interagency Council.

(a) There is established the B-3 Interagency Council. The Council is a joint council between the Department of Health and Human Services and the Department of Public Instruction and shall consist of 12 voting members and four nonvoting advisory members as follows:

- (1) The Superintendent of Public Instruction or the Superintendent's designee shall serve ex officio, with the same rights and privileges, including voting rights, as other members.
- (2) The Associate Superintendent of Early Education at the Department of Public Instruction shall serve ex officio, with the same rights and privileges, including voting rights, as other members.
- (3) The Secretary of Health and Human Services or the Secretary's designee shall serve ex officio, with the same rights and privileges, including voting rights, as other members.
- (4) The Deputy Secretary of Human Services at the Department of Health and Human Services shall serve ex officio, with the same rights and privileges, including voting rights, as other members.
- (5) Four public members appointed by the Speaker of House of Representatives who represent organizations that focus on early childhood education and development, one of whom shall be a representative of Smart Start.

- (6) Four public members appointed by the President Pro Tempore of the Senate who represent organizations that focus on early childhood education and development, one of whom shall be a representative of the North Carolina Partnership for Children.
- (7) Two members of the House of Representatives appointed by the Speaker of the House of Representatives to serve as nonvoting advisory members.
- (8) Two members of the Senate appointed by the President Pro Tempore of the Senate to serve as nonvoting advisory members.

The Deputy Secretary of Human Services and the Associate Superintendent of Early Education shall serve as cochairs of the Council. Members of the Council shall receive per diem, subsistence, and travel allowance, as provided in G.S. 120-3.1, 138-5, or 138-6, as appropriate.

(b) Terms for all public members and advisory members except for the initial appointments shall be for four years. Two of the public members appointed by the Speaker of the House of Representatives pursuant to subdivision (5) of subsection (a) of this section and one of the advisory members appointed by the Speaker of the House of Representatives pursuant to subdivision (7) of subsection (a) of this section shall be appointed for an initial term of two years. Two of the public members appointed by the President Pro Tempore of the Senate pursuant to subdivision (6) of subsection (a) of this section and one of the advisory members appointed by the President Pro Tempore of the Senate pursuant to subdivision (8) of subsection (a) of this section shall be appointed for an initial term of two years. Terms for members shall begin on November 1. Members shall serve until their successors are appointed. Any vacancy in the membership of the Council shall be filled in the same manner as the original appointment.

(c) The Council shall have as its charge establishing a vision and accountability for a birth through grade three system of early education that addresses all of the following:

- (1) Standards and assessment.
- (2) Data-driven improvement and outcomes, including shared accountability measures such as the NC Pathways to Grade-Level Reading.
- (3) Teacher and administrator preparation and effectiveness.
- (4) Instruction and environment.
- (5) Transitions and continuity.
- (6) Family engagement.
- (7) Governance and funding.

"§ 115C-64.26. Powers and duties of B-3 Interagency Council.

The B-3 Interagency Council shall have the following powers and duties:

- (1) Facilitating the development and implementation of an interagency plan for a coordinated system of early care, education, and child development services with a focus on program outcomes in satisfying the developmental and educational needs of all children from birth to eight years of age that includes at least the following:
  - a. Any recommendations to the Secretary of Health and Human Services and the Superintendent of Public Instruction on necessary organizational changes needed within the Departments of Health and Human Services and Public Instruction to be more responsive to and supportive of the birth to grade three continuum of early learning and development in an effort to optimize learning gains realized in the prekindergarten years.
  - b. An early childhood information system that facilitates and encourages the sharing of data between and among early childhood service providers and State agencies.
  - c. An early childhood accountability plan that includes identification of appropriate population indicators and program and system performance measures of early success of children such as the NC Pathways to Grade-Level Reading.
- (2) Implementing a statewide longitudinal evaluation of the educational progress of children from prekindergarten programs through grade 12.

- (3) Collaborating with the Department of Public Instruction, the Department of Health and Human Services, the North Carolina Partnership for Children, and other relevant early childhood stakeholders, including members of the North Carolina Early Childhood Advisory Council, to achieve the goal of a coordinated system of early care, education, and child development services for children from birth to eight years of age.

"§ 115C-64.27. Reporting requirement.

The Deputy Secretary of Human Services and the Associate Superintendent of Early Education shall report on a quarterly basis to the Secretary of Health and Human Services and the Superintendent of Public Instruction on the progress and implementation of any of the duties and responsibilities of the Council as set forth in this Article.

"§ 115C-64.28. Establish position of Associate Superintendent of Early Education to serve as chief academic officer of early education.

(a) There is established within the Department of Public Instruction the position of Associate Superintendent of Early Education who shall serve as the chief academic officer of early education. The Associate Superintendent shall have professional, administrative, technical, and clerical personnel as may be necessary to assist in carrying out his or her duties. The Associate Superintendent shall co-lead the work of the B-3 Interagency Council and oversee the Department of Public Instruction's prekindergarten through third grade initiatives.

(b) The Associate Superintendent shall be appointed by the Superintendent of Public Instruction at a salary established by the Superintendent of Public Instruction within the funds appropriated for that purpose. The Associate Superintendent may be removed from the position by the Superintendent of Public Instruction in the event of the Associate Superintendent's incapacity to serve. The Associate Superintendent shall be exempt from the provisions of Chapter 126 of the General Statutes, except for Articles 6 and 7 of Chapter 126 of the General Statutes.

All other staff shall be appointed, supervised, and directed by the Associate Superintendent and shall be subject to the provisions of Chapter 126 of the General Statutes. Except for the Associate Superintendent, salaries and compensation of all staff personnel shall be fixed in the manner provided by law for fixing and regulating salaries and compensation by other State agencies."

SECTION 7.23I.(b) G.S. 126-5(c1) is amended by adding a new subdivision to read:

"(35) The Associate Superintendent of Early Education who serves as chief academic officer of early education."

SECTION 7.23I.(c) The B-3 Interagency Council, established under G.S. 115C-64.25, as enacted by this section, shall undertake a rigorous review of the recommendations developed by the Departments of Health and Human Services and Public Instruction, pursuant to Section 12B.5 of S.L. 2016-94, on (i) the development and implementation of a statewide vision for early childhood education and (ii) the development and implementation of a program for transitioning children from preschool to kindergarten. In its review, the B-3 Interagency Council shall report to the General Assembly and the Governor suggested modifications, if any, to those recommendations. The B-3 Interagency Council shall also, if deemed necessary, make suggestions on alternative organizational structures to achieve greater efficiency and effective delivery of early childhood services, including a consolidation and restructuring of State agency divisions and offices located within the Department of Public Instruction and the Department of Health and Human Services into a centralized agency or office. The Council shall consider at least the following in conducting the review and study:

- (1) The delivery of educational services to young children and their families to ensure optimal learning for each young child.
- (2) The collaboration and sharing of data elements necessary to perform quality assessments and longitudinal analysis across early childhood education and development services.
- (3) The coordination of a comprehensive statewide system of professional development for providers and staff of early care and education and child development programs and services.
- (4) Areas of duplication in regulating and monitoring of early care and education and child development programs and services.
- (5) The coordination and support of public and private partnerships to aid early childhood initiatives.

SECTION 7.23I.(d) By April 15, 2018, the B-3 Interagency Council shall submit a report to the Joint Legislative Education Oversight Committee, the Joint Legislative Oversight Committee on Health and Human Services, and the Joint Legislative Commission on Governmental Operations on the initial results of the review and study required under subsection (c) of this section. By February 15, 2019, the B-3 Interagency Council shall submit a report to the Joint Legislative Education Oversight Committee, the Joint Legislative Oversight Committee on Health and Human Services, and the Joint Legislative Commission on Governmental Operations on (i) the final results of the review and study, including its recommendations and any proposed legislation, and (ii) progress on the development and implementation of a plan for a coordinated system of early care, education, and child development services and any other activities prescribed under G.S. 115C-64.26, as enacted by this section.

SECTION 7.23I.(e) Notwithstanding G.S. 115C-64.28, as enacted by this section, the Superintendent of Public Instruction shall appoint an Associate Superintendent of Early Education within 60 days of the date this section becomes law.

SECTION 7.23I.(f) Notwithstanding G.S. 115C-64.27, as enacted by this section, the B-3 Interagency Council shall submit its initial quarterly report to the Superintendent of Public Instruction and the Secretary of the Department of Health and Human Services by May 15, 2018.

## DIVISION OF CHILD DEVELOPMENT

Federal Funding for NC Pre-K	\$6,000,000 Nonrecurring 2017-2018
	<del>\$12,200,000</del> <u>\$62,200,000</u> Nonrecurring 2018-2019

**Replaces net General Fund appropriations with \$50 million in federal Temporary Assistance for Needy Families (TANF) block grant funds.**

Cost-Allocate Staff	\$913,972 Recurring 2017-2018
	\$913,972 Recurring 2018-2019

Provides CCDF Block Grant funding of \$913,972 to establish 12 FTEs. The positions established are 1 position to oversee the division's infant-toddler projects; 4 positions for the Subsidized Child Care program; 2 lead workers and 1 staff auditor for program compliance and fraud prevention, and 1 policy/planning consultant to assist with implementing the new CCDF requirements. The remaining 7 positions are established in the Early Education branch to support the early childhood workforce in the areas of licensing, professional development, and educational assessment.

**TANF Contingency Funds for Child Care Subsidy** **(\$3,563,530) Recurring 2018-2019**

**Reduces TANF Contingency Block Grant federal receipts due to decreased availability. The revised TANF Contingency federal receipts for the Subsidized Child Care are \$25 million in FY 2018-19.**

TANF Funds for Child Care Subsidy	(\$392,420) Nonrecurring 2017-2018
	(\$294,697) Nonrecurring 2018-2019

NC Pre-K Standards
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<b><u>NC Pre-K</u></b>	<b><u>\$3,000,000 Recurring 2017-2018</u></b>
	<b><u>\$6,100,000 Recurring 2018-2019</u></b>

Increased funding will serve an estimated additional 1,725 children in FY 2017-18 and 3,525 children in FY 2018-19. The revised net appropriation for NC Pre-K is \$69.6 million in FY 2017-18 and \$72.7 million in FY 2018-19. Total requirements for NC Pre-K \$154.5 million in FY 2017-2018 and \$163.8 million in FY 2018-2019.

**Child Care Subsidy Market Rate Increase for Tier 1 & 2 Counties** **\$3,675,000 Recurring FY 2018-2019**

**Provides CCDF funding to increase the child care market rates for children ages 0-5, effective October 1, 2018, for Tier 1 & 2 counties to the 100th percentile of the 2015 Market Rate Study**

**Child Care Subsidy Market Rate Increase for Tier 3 Counties** **\$9,750,000 Recurring FY 2018-2019**

**Provides CCDF funding to increase the child care market rates, effective October 1, 2018, for children ages 3-5 in Tier 3 counties to the recommended rates from the 2015 Market Rate Study**

**Childcare Subsidy Waitlist Reduction** **\$19,575,000 Recurring FY 2018-19**

**Reduces the Child Care Subsidy waiting list by providing CCDF and TANF block grant funding to remove an estimated 3,700 children from the waiting list.**

Provides additional TANF Block Grant funding to increase the Child Care Subsidy market rate effective October 1, 2017, for children age 0-2 in Tier 3 counties to the recommended rate in the 2015 Market Rate Study. Total requirements are \$363.2 million in FY 2017-18 and ~~\$367.2~~**\$396.2** million in FY 2018-19 for the Child Care Subsidy program. The revised net appropriation for Fund 1380, Subsidized Child Care for FY 2017-18 is \$52.6 million and \$56 million for FY 2018-19.

Smart Start DPIL Reading Initiative \$3,500,000 Recurring 2017-2018  
\$7,000,000 Recurring 2018-2019

**Smart Start Reach Out and Read** **\$250,000 Nonrecurring 2018-2019**

**Alliance for Children** **\$25,000 Nonrecurring 2018-2019**

**Alamance Partnership for Children** **\$50,000 Nonrecurring 2018-2019**

**Wilkes Community Partnership for Children** **\$50,000 Nonrecurring 2018-2019**

#### **TANF**

**Budgets additional TANF federal receipts. The revised TANF federal receipts for the division are \$152.3 million in FY 2018-19.**

#### **Child Care Development Fund (CCDF) Block Grant**

**Budgets additional CCDF federal receipts. The revised CCDF federal receipts from all changes in this report for the Division are \$315.8 million in FY 2018-19.**

**SUBPART XI-B. DIVISION OF CHILD DEVELOPMENT AND EARLY EDUCATION**

**EDUCATION LOTTERY FUNDS/CHANGES TO REVENUE ALLOCATIONS/NEEDS-BASED PUBLIC SCHOOL CAPITAL FUND**

**SECTION 5.3.(a)** The appropriations made from the Education Lottery Fund for the 2017-2019 fiscal biennium are as follows:

	<b>FY 2017-2018</b>	<b>FY 2018-2019</b>
Noninstructional Support Personnel	\$383,888,897	\$385,914,455
Prekindergarten Program	78,252,110	78,252,110
Public School Building Capital Fund	100,000,000	100,000,000
Needs-Based Public School Capital Fund	30,000,000	<del>75,000</del> <u>117,320,354</u>
Scholarships for Needy Students	30,450,000	30,450,000
UNC Need-Based Financial Aid	10,744,733	10,744,733
LEA Transportation	43,277,192	<del>1,386,090</del> <u>21,386,090</u>
<b>TOTAL APPROPRIATION</b>	<b>\$676,612,932</b>	<b><del>\$681,747,388</del><u>\$744,067,742</u></b>

**NC PRE-K**

**NC PRE-K PROGRAM/STANDARDS FOR FOUR- AND FIVE-STAR RATED FACILITIES**

**SECTION 11B.1.(a)** Eligibility. – The Department of Health and Human Services, Division of Child Development and Early Education, shall continue implementing the prekindergarten program (NC Pre-K). The NC Pre-K program shall serve children who are four years of age on or before August 31 of the program year. In determining eligibility, the Division shall establish income eligibility requirements for the program not to exceed seventy-five percent (75%) of the State median income. Up to twenty percent (20%) of children enrolled may have family incomes in excess of seventy-five percent (75%) of median income if those children have other designated risk factors. Furthermore, any age-eligible child who is a child of either of the following shall be eligible for the program: (i) an active duty member of the Armed Forces of the United States, including the North Carolina National Guard, State military forces, or a reserve component of the Armed Forces who was ordered to active duty by the proper authority within the last 18 months or is expected to be ordered within the next 18 months, or (ii) a member of the Armed Forces of the United States, including the North Carolina National Guard, State military forces, or a reserve component of the Armed Forces who was injured or killed while serving on active duty. Eligibility determinations for NC Pre-K participants may continue through local education agencies and local North Carolina Partnership for Children, Inc., partnerships.

Other than developmental disabilities or other chronic health issues, the Division shall not consider the health of a child as a factor in determining eligibility for participation in the NC Pre-K program.

**SECTION 11B.1.(b)** Multiyear Contracts. – The Division of Child Development and Early Education shall require the NC Pre-K contractor to issue multiyear contracts for licensed private child care centers providing NC Pre-K classrooms.

**SECTION 11B.1.(b1)** Building Standards. – Notwithstanding G.S. 110-91(4), private child care facilities and public schools operating NC Pre-K classrooms shall meet the building standards for preschool students as provided in G.S. 115C-521.1.

**SECTION 11B.1.(c)** Programmatic Standards. – Except as provided in subsection (b1) of this section, entities operating NC Pre-K classrooms shall adhere to all of the policies prescribed by the Division of Child Development and Early Education regarding programmatic standards and classroom requirements.

**SECTION 11B.1.(d)** NC Pre-K Committees. – Local NC Pre-K committees shall use the standard decision-making process developed by the Division of Child Development and Early Education in awarding NC Pre-K classroom slots and student selection.

**SECTION 11B.1.(e)** Reporting. – The Division of Child Development and Early Education shall submit an annual report no later than March 15 of each year to the Joint Legislative Oversight Committee on Health and Human Services, the Office of State Budget and Management, and the Fiscal Research Division. The report shall include the following:

- (1) The number of children participating in the NC Pre-K program by county.
- (2) The number of children participating in the NC Pre-K program who have never been served in other early education programs such as child care, public or private preschool, Head Start, Early Head Start, or early intervention programs.
- (3) The expected NC Pre-K expenditures for the programs and the source of the local contributions.
- (4) The results of an annual evaluation of the NC Pre-K program.

**~~STATE AGENCY CONTINUED COLLABORATION ON EARLY CHILDHOOD EDUCATION/TRANSITION FROM PRESCHOOL TO KINDERGARTEN~~**

~~**SECTION 11B.2.(a)** The Department of Health and Human Services, in consultation with the Department of Public Instruction and any other agencies or organizations that administer, support, or study early education in this State, and within resources currently available, shall continue to collaborate on an ongoing basis in the development and implementation of a statewide vision for early childhood education. In collaborating in this effort, the agencies shall continue developing a comprehensive approach to early childhood education, birth through third grade, including creating cross agency accountability with a comprehensive set of data indicators, including consideration of the NC Pathways to Grade Level Reading, to monitor and measure success of the early childhood education systems.~~

~~**SECTION 11B.2.(b)** The Department of Health and Human Services, the Department of Public Instruction, and any other agencies or organizations that administer, support, or study early education programs in this State shall submit a follow-up report of their findings and recommendations, including any legislative proposals, on the statewide vision for early childhood education pursuant to subsection (a) of this section to the Joint Legislative Oversight Committee on Health and Human Services and the Joint Legislative Education Oversight Committee on or before January 1, 2018, and may make any subsequent reports, annually, on or before January 1, as needed to those same committees.~~

~~**SECTION 11B.2.(c)** The Department of Health and Human Services, in consultation with the Department of Public Instruction, shall continue developing a standardized program to transition children from preschool to kindergarten. In developing this standardized transition program, the Department of Health and Human Services shall identify, at a minimum:~~

- ~~(1) Methods to standardize student transition information such that it is quantifiable.~~
- ~~(2) Recommendations for sharing data contained in a student's transition plan between preschool teachers and either kindergarten teachers or the schools that receive the incoming kindergarten students.~~
- ~~(3) Recommendations for sharing data contained in a student's transition plan between preschool teachers and the parents or guardians of the child who is transitioning to kindergarten.~~
- ~~(4) Recommendations for preschool teacher training and continuing education to support their role in completing transition plans for preschool children.~~
- ~~(5) Recommendations for baseline information that should be compiled in transition plans for students transitioning to kindergarten.~~

- (6) — ~~Procedures for the management of transition plan documents, including recommendations for the length of records retention, provisions for confidentiality, and proper disposal.~~
- (7) — ~~Any other components the Department deems appropriate in the provision of information between preschools, students' families, and kindergartens.~~

~~SECTION 11B.2.(d) The Department of Health and Human Services shall report on the development of the standardized transition program required pursuant to subsection (c) of this section, including any findings and recommendations and any legislative proposals, to the Joint Legislative Oversight Committee on Health and Human Services and the Joint Legislative Education Oversight Committee on or before January 1, 2018.~~

**SEPARATE STAR-RATED LICENSE/BIRTH THROUGH TWO YEARS OF AGE/REPORT**

**SECTION 11B.2.(a) The Department of Health and Human Services, Division of Child Development and Early Education (Division), shall develop a separate birth through two years of age, star-rated license for child care facilities. In developing the separate, star-rated license, the Division shall, at a minimum, consider the following:**

- (1) Staff qualifications.**
- (2) Staff turnover rates.**
- (3) Educational outcomes.**
- (4) Evaluation of certified religious-based child care centers for rate payments and the minimum requirements for certification.**

**SECTION 11B.2.(b) The Division of Child Development and Early Education shall submit a report on its recommendations regarding the separate, star-rated license, as well as any recommendations for revising the current star-rating system, to the Joint Legislative Oversight Committee on Health and Human Services by November 1, 2018.**

Child Care Subsidy

**CHILD CARE SUBSIDY RATES**

**SECTION 11B.3.(a)** The maximum gross annual income for initial eligibility, adjusted biennially, for subsidized child care services shall be determined based on a percentage of the federal poverty level as follows:

<b>AGE</b>	<b>INCOME PERCENTAGE LEVEL</b>
0-5	200%
6 – 12	133%

The eligibility for any child with special needs, including a child who is 13 years of age or older, shall be two hundred percent (200%) of the federal poverty level.

**SECTION 11B.3.(b)** Fees for families who are required to share in the cost of care are established based on ten percent (10%) of gross family income. When care is received at the blended rate, the co-payment shall be eighty-three percent (83%) of the full-time co-payment. Co-payments for part-time care shall be seventy-five percent (75%) of the full-time co-payment.

**SECTION 11B.3.(c)** Payments for the purchase of child care services for low-income children shall be in accordance with the following requirements:

- (1) Religious sponsored child care facilities operating pursuant to G.S. 110-106 and licensed child care centers and homes that meet the minimum licensing standards that are participating in the subsidized child care program shall be paid the one-star county market rate or the rate they charge privately paying parents, whichever is lower, unless prohibited by subsection (f) of this section.



- (2) Licensed child care centers and homes with two or more stars shall receive the market rate for that rated license level for that age group or the rate they charge privately paying parents, whichever is lower, unless prohibited by subsection (g) of this section.
- (3) Nonlicensed homes shall receive fifty percent (50%) of the county market rate or the rate they charge privately paying parents, whichever is lower.
- (4) No payments shall be made for transportation services or registration fees charged by child care facilities.
- (5) Payments for subsidized child care services for postsecondary education shall be limited to a maximum of 20 months of enrollment.
- (6) The Department of Health and Human Services shall implement necessary rule changes to restructure services, including, but not limited to, targeting benefits to employment.

**SECTION 11B.3.(d)** Provisions of payment rates for child care providers in counties that do not have at least 50 children in each age group for center-based and home-based care are as follows:

- (1) Except as applicable in subdivision (2) of this subsection, payment rates shall be set at the statewide or regional market rate for licensed child care centers and homes.
- (2) If it can be demonstrated that the application of the statewide or regional market rate to a county with fewer than 50 children in each age group is lower than the county market rate and would inhibit the ability of the county to purchase child care for low-income children, then the county market rate may be applied.

**SECTION 11B.3.(e)** A market rate shall be calculated for child care centers and homes at each rated license level for each county and for each age group or age category of enrollees and shall be representative of fees charged to parents for each age group of enrollees within the county. The Division of Child Development and Early Education shall also calculate a statewide rate and regional market rate for each rated license level for each age category.

**SECTION 11B.3.(f)** The Division of Child Development and Early Education shall continue implementing policies that improve the quality of child care for subsidized children, including a policy in which child care subsidies are paid, to the extent possible, for child care in the higher quality centers and homes only. The Division shall define higher quality, and subsidy funds shall not be paid for one- or two-star rated facilities. For those counties with an inadequate number of four- and five-star rated facilities, the Division shall continue a transition period that allows the facilities to continue to receive subsidy funds while the facilities work on the increased star ratings. The Division may allow exemptions in counties where there is an inadequate number of four- and five-star rated facilities for non-star rated programs, such as religious programs.

**SECTION 11B.3.(g)** Facilities licensed pursuant to Article 7 of Chapter 110 of the General Statutes and facilities operated pursuant to G.S. 110-106 may participate in the program that provides for the purchase of care in child care facilities for minor children of needy families. Except as authorized by subsection (f) of this section, no separate licensing requirements shall be used to select facilities to participate. In addition, child care facilities shall be required to meet any additional applicable requirements of federal law or regulations. Child care arrangements exempt from State regulation pursuant to Article 7 of Chapter 110 of the General Statutes shall meet the requirements established by other State law and by the Social Services Commission.

County departments of social services or other local contracting agencies shall not use a provider's failure to comply with requirements in addition to those specified in this subsection as a condition for reducing the provider's subsidized child care rate.

**SECTION 11B.3.(h)** Payment for subsidized child care services provided with Temporary Assistance for Needy Families Block Grant funds shall comply with all regulations and policies issued by the Division of Child Development and Early Education for the subsidized child care program.

**SECTION 11B.3.(i)** Noncitizen families who reside in this State legally shall be eligible for child care subsidies if all other conditions of eligibility are met. If all other

conditions of eligibility are met, noncitizen families who reside in this State illegally shall be eligible for child care subsidies only if at least one of the following conditions is met:

- (1) The child for whom a child care subsidy is sought is receiving child protective services or foster care services.
- (2) The child for whom a child care subsidy is sought is developmentally delayed or at risk of being developmentally delayed.
- (3) The child for whom a child care subsidy is sought is a citizen of the United States.

**SECTION 11B.3.(j)** The Department of Health and Human Services, Division of Child Development and Early Education, shall require all county departments of social services to include on any forms used to determine eligibility for child care subsidy whether the family waiting for subsidy is receiving assistance through the NC Pre-K Program or Head Start.

**SECTION 11B.3.(k)** Department of Defense-certified child care facilities licensed pursuant to G.S. 110-106.2 may participate in the State-subsidized child care program that provides for the purchase of care in child care facilities for minor children in needy families, provided that funds allocated from the State-subsidized child care program to Department of Defense-certified child care facilities shall supplement and not supplant funds allocated in accordance with G.S. 143B-168.15(g). Payment rates and fees for military families who choose Department of Defense-certified child care facilities and who are eligible to receive subsidized child care shall be as set forth in this section.

#### **CHILD CARE SUBSIDY MARKET RATE INCREASES/CERTAIN AGE GROUPS AND COUNTIES**

**SECTION 11B.4.(a)** Beginning October 1, 2017, the Department of Health and Human Services, Division of Child Development and Early Education (Division), shall increase the child care subsidy market rates to the rates recommended by the 2015 Child Care Market Rate Study for school-aged children in three-, four-, and five-star-rated child care centers and homes in tier one and tier two counties.

**SECTION 11B.4.(b)** Beginning October 1, 2017, the Division shall increase the child care subsidy market rates to the rates recommended by the 2015 Child Care Market Rate Study for children birth through two years of age in three-, four-, and five-star-rated child care centers and homes in tier three counties.

**SECTION 11B.4.(b1) Beginning October 1, 2018, the Division shall increase the child care subsidy market rates to the rates recommended by the 2015 Child Care Market Rate Study for children three through five years of age in three-, four-, and five-star-rated child care centers and homes in tier three counties.**

Market rate increase

**SECTION 11B.4.(c)** For purposes **of subsections (a) through (b1)** of this section, tier one, tier two, tier three counties shall have the same designations as those established by the N.C. Department of Commerce's 2015 County Tier Designations.

**SECTION 11B.4.(d) Beginning October 1, 2018, the Division shall increase the child care subsidy market rates to the one hundredth percentile as reported in the 2015 Child Care Market Rate Study for children birth through five years of age in three-, four-, and five-star-rated child care centers and homes in tier one and tier two counties. For purposes of this subsection, tier one and tier two counties shall have the same designations as those established by the N.C. Department of Commerce's 2018 County Tier Designations.**

Subsidy Allocation Formula

#### **CHILD CARE ALLOCATION FORMULA**

**SECTION 11B.5.(a)** The Department of Health and Human Services, Division of Child Development and Early Education (Division), shall allocate child care subsidy voucher funds to pay the costs of necessary child care for minor children of needy families. The mandatory thirty percent (30%) North Carolina Partnership for Children, Inc., subsidy allocation under G.S. 143B-168.15(g) shall constitute the base amount for each county's child care subsidy allocation. The Department of Health and Human Services shall use the following method when

allocating federal and State child care funds, not including the aggregate mandatory thirty percent (30%) North Carolina Partnership for Children, Inc., subsidy allocation:

- (1) Funds shall be allocated to a county based upon the projected cost of serving children under age 11 in families with all parents working who earn less than the applicable federal poverty level percentage set forth in Section 11B.3(a) of this act.
- (2) The Division may withhold up to two percent (2%) of available funds from the allocation formula for (i) preventing termination of services throughout the fiscal year and (ii) repayment of any federal funds identified by counties as overpayments, including overpayments due to fraud. The Division shall allocate to counties any funds withheld before the end of the fiscal year when the Division determines the funds are not needed for the purposes described in this subdivision. The Division shall submit a report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division, which report shall include each of the following:
  - a. The amount of funds used for preventing termination of services and the repayment of any federal funds.
  - b. The date the remaining funds were distributed to counties.
  - c. As a result of funds withheld under this subdivision and after funds have been distributed, any counties that did not receive at least the amount the counties received the previous year and the amount by which funds were decreased.The Division shall submit a report in each year of the 2017-2019 fiscal biennium 30 days after the funds withheld pursuant to this subdivision are distributed but no later than April 1 of each respective year.
- (3) The Division shall set aside four percent (4%) of child care subsidy allocations for vulnerable populations, which include a child identified as having special needs and a child whose application for assistance indicates that the child and the child's family is experiencing homelessness or is in a temporary living situation. A child identified by this subdivision shall be given priority for receiving services until such time as set-aside allocations for vulnerable populations are exhausted.

**SECTION 11B.5.(b)** The Division may reallocate unused child care subsidy voucher funds in order to meet the child care needs of low-income families. Any reallocation of funds shall be based upon the expenditures of all child care subsidy voucher funding, including North Carolina Partnership for Children, Inc., funds within a county. Counties shall manage service levels within the funds allocated to the counties. A county with a spending coefficient over one hundred percent (100%) shall submit a plan to the Division for managing the county's allocation before receiving any reallocated funds.

**SECTION 11B.5.(c)** When implementing the formula under subsection (a) of this section, the Division shall include the market rate increase in the formula process rather than calculating the increases outside of the formula process. Additionally, the Department shall do the following:

- (1) Implement the final one-third change in a county's allocation beginning fiscal year 2018-2019. A county's initial allocation shall be the county's expenditure in the previous fiscal year or a prorated share of the county's previous fiscal year expenditures if sufficient funds are not available. With the exception of market rate increases consistent with any increases approved by the General Assembly, a county whose spending coefficient is less than ninety-two percent (92%) in the previous fiscal year shall receive its prior year's expenditure as its allocation and shall not receive an increase in its allocation in the following year. A county whose spending coefficient is at least ninety-two percent (92%) in the previous fiscal year shall receive, at a minimum, the amount it expended in the previous fiscal year and may receive additional funding, if available. The Division may waive this requirement and allow an increase if the spending coefficient is below ninety-two percent (92%) due to extraordinary circumstances, such as a State or federal disaster declaration in the affected county. By October 1 of each year, the Division shall report to the Joint Legislative

- Oversight Committee on Health and Human Services and the Fiscal Research Division the counties that received a waiver pursuant to this subdivision and the reasons for the waiver.
- (2) Effective immediately following the next new decennial census data release, implement (i) one-third of the change in a county's allocation in the year following the data release, (ii) an additional one-third of the change in a county's allocation beginning two years after the initial change under this subdivision, and (iii) the final one-third change in a county's allocation beginning the following two years thereafter.

## **CODIFY CERTAIN CHILD CARE SUBSIDY PROVISIONS**

**SECTION 11B.6.** Article 3 of Chapter 143B of the General Statutes is amended by adding a new Part to read:

### **CHILD CARE SUBSIDY RECIPIENTS TO COOPERATE WITH CHILD SUPPORT SERVICES/DEMONSTRATION PROJECT**

Child  
support

SECTION 11B.7.(a) Beginning January 1, 2018, or 30 days from the date the U.S. Department of Health and Human Services, Office of Child Care, approves the revised Child Care and Development Fund (CCDF) plan, or whichever occurs later, the Department of Health and Human Services, the Division of Child Development and Early Education (DCDEE) and the Division of Social Services (DSS), shall implement a one-year statewide demonstration project in accordance with S.L. 2015-51 requiring a custodial parent or other relative or person with primary custody of the child who is receiving child care subsidy payments to cooperate with the county child support services program as a condition of receiving child care subsidy payments. DCDEE and DSS shall conduct the demonstration project in at least three counties, but no more than six, that represent the three regions of the State in both rural and urban settings. DCDEE and DSS may solicit counties to volunteer for the demonstration project. In selecting counties to participate in the demonstration project, DCDEE and DSS shall (i) consider the various methods counties employ in receiving and processing child care subsidy applications and (ii) compare the data from the counties participating in the demonstration project to counties that are similarly sized and situated that do not participate in the demonstration project.

SECTION 11B.7.(b) The statewide demonstration project shall include, at a minimum, the components described in Section 1(a) of S.L. 2015-51, as well as any criteria DCDEE and DSS identified in its report as submitted to the Joint Legislative Oversight Committee on Health and Human Services dated February 1, 2016. Specifically, as identified in that report, DCDEE and DSS shall consider, at a minimum, each of the following factors in evaluating the demonstration project:

- (1) The number and percentage of applicants for whom the requirement to participate in child support services was presented who actually submitted a child support application and applied for and received subsidized child care assistance.

- (2) The number and percentage of families exempted from the requirement under subdivision (1) of this subsection through good-cause exceptions.

- (3) The number and percentage of families that initially receive child support payments but become ineligible for subsidized child care assistance as a result of their increased income or family status.

- (4) The number and percentage of families enrolled in the subsidized child care assistance program at the beginning of the demonstration project that exit the program due to imposed requirements for child support cooperation.

- (5) The number and percentage of applicants who declined to apply or withdrew their application as a result of the requirement to cooperate with child support services.

(6) The number and percentage of child care subsidy recipients who begin receiving child support or, if receiving child support, the average increase in the recipients' child support received due to imposed requirements for child support cooperation.

SECTION 11B.7.(c) The Division of Child Development and Early Education and the Division of Social Services shall report on the results of the demonstration project to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division no later than March 1, 2019, or if the CCDF plan is approved after January 1, 2018, no later than three months from the date the one-year demonstration project is completed, whichever occurs later. The report shall include, at a minimum, each of the following:

- (1) The factors evaluated under subsection (a) of this section.
- (2) A detailed project plan and any costs associated with implementing the plan, specifically, any technology needs.
- (3) Any recommendations for or challenges with sustaining the plan long term.

### Additional legislation from the 2017-18 biennial session

#### House Bill 1083 -Appointments Bill Session Law 2018-127

NCPC Board  
Appointment

#### PART II. PRESIDENT PRO TEMPORE'S RECOMMENDATIONS

SECTION 2.37. Ronald Patrick Waters of Alamance County is appointed to the North Carolina Partnership for Children, Inc., Board of Directors for a term expiring on December 31, 2019, to fill the unexpired term of Marie Inscore.

H90 (SL 2018-2)

#### PART VII. NC PRE-K STATUTORY APPROPRIATION

##### SECTION 7.

Chapter 143B of the General Statutes is amended by adding a new section to read: "§ 143B-168.10B. NC Prekindergarten Program Funds. The General Assembly finds that due to the continued growth and ongoing need in this State to provide early childhood services and education to North Carolina children from birth to five years, it is imperative that the State provide an increase in funds to the General Fund for two fiscal years for the NC Prekindergarten (NC Pre-K) program. To that end, there is appropriated from the General Fund to the Department of Health and Human Services, Division of Child Development and Early Education, the following amounts each fiscal year to provide funds for NC Pre-K slots for the NC Pre-K program: Fiscal Year Appropriation 2019-2020 \$82,001,394 2020-2021 and each subsequent fiscal year thereafter \$91,351,394 When developing the base budget, as defined by G.S. 143C-1-1, for each fiscal year specified in this section, the Director of the Budget shall include the appropriated amount specified in this section for that fiscal year.

**BYLAWS**

**OF**

**THE NORTH CAROLINA PARTNERSHIP FOR CHILDREN, INC.**

**ARTICLE I**

Name and Seal

The name of the Corporation is THE NORTH CAROLINA PARTNERSHIP FOR CHILDREN, INC. (the "Corporation").

**ARTICLE II**

Purposes of the Corporation

The Corporation is organized and shall be operated exclusively for purposes and shall exercise those powers consistent therewith granted to non-profit corporations by the laws of North Carolina, which shall include, but are not limited to, these specific objectives and purposes:

To engage in all lawful activities for which corporations exempt from tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") may engage, and in connection therewith and to the extent consistent therewith, to create and implement a comprehensive, outcome focused plan to enrich the lives of children through high quality early childhood education, health care, and related services by bringing together families, communities, churches, businesses, non-profit organizations, foundations, and the state and local governments to pursue innovative, collaborative strategies that make better use of existing resources and build on the experience and expertise of communities and existing institutions.

**ARTICLE III**

Members

The Corporation shall have no members.

**ARTICLE IV**

Offices and Registered Agent

1. Offices – The Corporation continuously shall maintain North Carolina as a registered office at such place as may be designated by the Board of Directors. The principal office of the Corporation and

such other offices as it may establish shall be located at such place(s) either within or without North Carolina, as may be designated by the Board of Directors.

2. Agent – The Corporation continuously shall maintain within North Carolina a registered agent.
3. Changes – Any change in the registered office or registered agent of the Corporation shall be accomplished in compliance with the North Carolina Non-Profit Corporation Act.

## **ARTICLE V**

### Board of Directors for the Corporation

1. General Powers and Duties – The property, business, and affairs of the Corporation shall be managed, controlled, and directed by a Board of Directors. The Board of Directors shall have, and may exercise, any and all powers provided in the Articles of Incorporation or the North Carolina Non-Profit Corporation Act that are necessary or convenient to carry out the purposes of the Corporation and which support and foster the purposes of the Corporation as established in these Bylaws.

Composition – ***Recognizing that a diverse and inclusive board is vital to effective governance, organizational success, and meeting NCP’s mission, the Board of Directors will encourage the appointing authorities to appoint members who reflect a diversity of talents, perspectives, backgrounds, resources, and reflects the diversity of families Smart Start serves in its race/ethnicity, age, and geographic composition.***

2. The Board of Directors shall have a Board of Directors consisting of the following 26 members:
  - (a) The Secretary of Health of Human Services, ex officio, or the Secretary’s designee;
  - (b) The Superintendent of the Department of Public Instruction, ex officio, or the Superintendent’s designee;
  - (c) The President of the Department of Community Colleges, ex officio, or the President’s designee;
  - (d) Three members of the public, including one child care provider, one other whom is a parent, and one other who is a board chair of a local partnership serving on the Corporation’s Local Partnership Advisory Committee, appointed by the General Assembly upon recommendation of the President Pro Tempore of the Senate;
  - (e) Three members of the public, including one who is a parent, one other who is representative of the faith community, and one other who is a board chair of a local partnership serving on the Corporation’s Local Partnership Advisory Committee, appointed by the General Assembly upon recommendation of the Speaker of the House of Representatives;
  - (f) Twelve members, appointed by the Governor. Three of these 12 members shall be members of

the party other than the Governor's party, appointed by the Governor. Seven of these 12 members shall be appointed as follows: one who is a child care provider, one other who is a pediatrician, one other who is a health care provider, one other who is a parent, one other who is a member of the business community, one other who is a member representing a philanthropic agency, and one other who is an early childhood educator;

- (g) The Chair of the Corporation's Board shall be appointed by the Governor
- (h) One member of the public appointed by the General Assembly upon recommendation of the Majority Leader of the Senate;
- (i) One member of the public appointed by the General Assembly upon recommendation of the Minority Leader of the House of Representatives.
- (j) One member of the public appointed by the General Assembly upon recommendation of the Majority Leader of the House of Representatives.
- (k) One member of the public appointed by the General Assembly upon recommendation of the Minority Leader of the Senate.
- (l) The Director of the Pre-K Program, or the Director's designee.

### 3. Officers of the Board

- (a) Chair – The Chair who is appointed by the Governor shall preside at meetings of the Board and perform such other duties as may be directed by the Board.
- (b) Vice-Chair – The Board shall elect from among its members a Vice-Chair who shall preside at meetings of the Board when the Chair is absent.
- (c) Secretary
- (d) Treasurer

### 4. Term – The term of the Directors shall be as follows:

- (a) All members appointed to succeed the initial members and members appointed thereafter shall be appointed for three-year terms. Members may succeed themselves.
- (b) At the end of member's first three-year term, the Board Chair and President will recommend, to the appointing authority, reappointment for members who are active and meet Board expectations.
- (c) If member was initially appointed to complete a partial term, reappointment will be recommended, and the second term is considered the first complete term to the appointing authority.
- (d) At the end of member's second three-year term, the Board Chair and President will consider recommending to the appointing authority appointing another candidate except for members in leadership positions including officers and committee chairs.
- (e) Following three full terms, the Board Chair and President will recommend another candidate to the appointing authority.
- (f) The Board Chair and President, using recommendations from the Board Development Committee, will stagger member reappointment to maintain a balance of experienced and new members.
- (g) Ex officio members, or their designees', terms will be determined by their agency



appointment.

- (h) All appointed Board members shall avoid conflicts of interest and the appearance of impropriety. Should instances arise when a conflict may be perceived, any individual who may benefit directly or indirectly from the Corporation's disbursement of funds shall abstain from participating in any decision or deliberations by the Corporation regarding the disbursement of funds. .
  - (i) All ex officio Board members are voting members. Each ex officio member may be represented by a designee. These designees shall be voting members. Ex Officio Board members or their representative designee shall be counted in determining the quorum for meetings of the Board of Directors and Committees of the Board.
  - (j) No members of the General Assembly shall serve as members.
  - (k) Directors serve until reappointment or their successor is appointed and qualifies.
5. Attendance – The Corporation may establish a policy on members' attendance, which policy shall include provisions for reporting absences of at least three meetings immediately to the appropriate appointing authority.
6. Compensation – Members of the Board shall receive reasonable travel and subsistence expenses. No further compensation shall be allowed to members of the Board with the exception of the President of the Corporation (as defined in Article VI, Section 2 of these Bylaws) and except pursuant to a contract as provided in Article XIII, Section 1 of these Bylaws.
7. Resignation – A director may resign at any time by giving notice thereof in writing to the Chair. In the event of a resignation, a new director shall be appointed in the same manner in which the resigned director was appointed. The new director shall complete the term of the resigned director, except that those directors who serve on the board by reason of their other office as enumerated in these bylaws shall serve so long as they hold such other office.
8. Executive Committee –The Executive Committee shall consist of the Chair, Vice-Chair, Secretary, Treasurer, and the Chairs of Standing Committees. The Executive Committee shall have and may exercise all the authority, with the exception of modifying Board action, of the Board of Directors in matters pertaining to the basic management of the Corporation between meetings of the Board except as limited by N.C.G.S. §55A-8-25. No two members of the Executive Committee shall be persons employed by the same institution or company. The Executive Committee may recommend a list of potential members to be appointed by the General Assembly, Governor and any of the appointing bodies. The Executive Committee shall seek to recommend individuals that will maintain the Board's diverse and resourceful leadership. Meetings of the Executive Committee may be called by the Chair and shall be called upon the written request of two members of the Committee. A majority of the members of the Executive Committee in office immediately before the meeting begins shall constitute a quorum for the transaction of business.

9. Committees

- (a) Standing Committees may be created by the Board as desired to fulfill the mission of the North Carolina Partnership for Children, Inc. The Chair and Vice Chair of the Standing Committees shall be appointed at the annual meeting by the Chair of the Board of Directors.
  - (b) Nominating Committee. Every other year, or as needed, prior to the fourth regular meeting of the Board, the Executive Committee shall elect two members from the membership of the Board to serve on the Nominating Committee. At the fourth regular meeting of the Board, the Board shall elect three additional members from the membership of the Board to serve on the Nominating Committee. The Chair shall name one member to call a meeting of the nominating committee to elect a Chair. At the annual meeting, every other year, or as needed, the Nominating Committee shall nominate one member for office of Vice Chair of the Board, one member for Secretary of the Corporation and Board and one member for Treasurer of the Corporation and Board.
  - (c) Other Committees – The Chair of the Board may establish any Special Committee which may also be referred to as a Task Force or an Advisory Council. All Special Committees, Task Forces and Advisory Councils serve as Ad Hoc Committees. The Chair shall appoint the members to these Special Committees. The Chair shall designate the Chair and Vice Chair for each committee. Committees serve in an advisory capacity to the Board.
  - (d) The Chair may recommend non-Board members to serve on committees of the Board with approval of the Board of Directors.
  - (e) The Chair of the Board shall serve as an ex officio member of all committees except the Nominating Committee. The Chair shall not be counted in determining the quorum for any committee meeting.
10. Parliamentarian – The Board Chair may appoint from among the Board members an individual to serve as Parliamentarian. The Parliamentarian shall become knowledgeable of the bylaws, standing rules and procedures of the Board and Robert’s Rules of Order, Newly Revised. The Parliamentarian shall act in an advisory capacity to the Chair and Board and retains all rights and privileges of a Board member which include making motions, participating in debate and voting.
11. Local Partnership Advisory Committee – The Corporation shall establish a Local Partnership Advisory Committee comprised of 15 members. Eight of the members shall be chosen from past board chairs or duly elected officers currently serving on local partnerships' boards of directors at the time of appointment and shall serve three-year terms. Seven of the members shall be staff of local partnerships. Members shall be chosen by the Chair of the Board from a pool of candidates nominated by their respective boards of directors. The Local Partnership Advisory Committee shall serve in an advisory capacity to the Corporation and shall establish a schedule of regular meetings. Members shall be chosen from local partnerships on a rotating basis. The advisory committee shall annually elect a chair from among its members.

**ARTICLE VI**  
Officers of the Corporation

The officers of the Corporation shall be the President, a Vice President, a Secretary, a Treasurer,

such Assistant Secretaries, Assistant Treasurers, and any other officers that the Board of Directors may designate. Individuals to serve in these capacities shall be designated by the Board of Directors and given powers and duties consistent with these Bylaws. Any two or more offices may be held by the same person, except the offices of President and Secretary; however, no officer shall execute, acknowledge, or verify any instrument in more than one capacity if such instrument is required by law, by the Articles of Incorporation, or by the Bylaws to be executed, acknowledged, or verified by two or more officers.

1. Officers of the Corporation

- (a) President – The president shall have and exercise general charge and supervision of the affairs of the Corporation (including authority to hire and dismiss employees and to determine the compensation of employees), and shall perform such other duties and have such powers as the Board of Directors may assign.
- (b) Vice President –The Board may elect a Vice President who, in the absence or disability of the President, shall have the powers and duties of the President. The Vice President shall also have general administrative duties under the direction of the President and such other duties as may be assigned by the Board of Directors.
- (c) Secretary – The Board shall elect from among its members a Secretary, who shall preside at all meetings of the Board when the Chair and Vice-Chair are absent and who, with the assistance of the Corporation staff, shall be responsible for keeping an accurate record of the proceedings and actions of the Board. The Secretary elected by the Board shall serve as Secretary of the Corporation, shall have the custody of the corporate seal and shall maintain a current record of all the persons who are members of the Board of Directors for the Corporation, showing their respective places of residence, and such book shall be open for inspection as prescribed by law. Subject to the control of the Board of Directors, the Secretary shall, in general, perform all the duties incident to the office of Secretary, and shall perform such other duties as the Board or the President may assign;
- (d) Treasurer –The Board shall elect from among its members a Treasurer who shall have oversight over the custody of all funds, property, and securities of the Corporation, subject to such regulations as the Board of Directors may impose. In general, the Treasurer shall have all the powers of, and shall perform all the duties and responsibilities commonly incident to and vested in the office of Treasurer of a corporation, subject to the control of the Board, and may delegate any such powers to one or more Assistant Treasurers. The treasurer shall serve as the chair of the Finance and Audit Committee.
- (e) The President, subject to the approval or at the request of the Board, may appoint staff members as Assistant Secretaries and Treasurers to assist the Secretary and Treasurer in the performance of their duties.
- (f) The Assistant Secretaries and Treasurers shall in general perform such duties as may be assigned to them by the Secretary or the Treasurer respectively, or by the Chair of the Board.

2. Compensation – The Board of Directors shall fix the compensation of the President of the Corporation and the President shall fix the compensation of all other employees of the Corporation.

3. Removal – Any officer of the Corporation may be removed from office upon two-thirds vote of the membership of the Board then in office at any regular or special meeting called for that purpose. Any officer of the Corporation proposed to be removed shall be entitled to at least five days notice, in writing, by mail of the meeting of the Board of Directors at which such removal is to be voted upon and shall be entitled to appear before and be heard by the Board at such meeting.
4. Terms of Chair and Officers of the Board –The Chair is appointed by the Governor. The terms of the other Board Officers shall be from the time of their election at the annual meeting for two years or until their successors are elected. Officers may serve two consecutive terms. Terms should be staggered, to the extent possible. If a position is vacated, a new officer would finish the unexpired term and would be eligible to serve only one additional term.

## **ARTICLE VII**

### Meetings

1. Regular Meetings – Board of Directors shall meet four times annually. The Board shall consider and adopt four meeting dates at its annual meeting. The annual meeting of the Board shall be held in September, or at such time the Board may fix for the purpose of electing officers of the Corporation and the Board of Directors and for the transaction of other business.

Written notice of the time, date, and place of Board meetings shall be given by the Chair of the Board or the President of the Corporation to each member of the Board at least ten (10) days in advance of the meeting. An agenda drafted by the Chair, in consultation with the President, and materials shall be sent or made available electronically to all Board members at least 5 days in advance of meetings.

If it is determined a quorum will not be present for the meeting or the meeting needs to be rescheduled for other reasons, the Chair shall determine and schedule another date and time to hold the Board meeting.

Written notice of any change of the times, dates and/or place of any Board or Executive Committee meeting shall be given by the Chair of the Board or the President of the Corporation to each member of the Board at least ten (10) days in advance of the meeting.

2. Place of Meetings – The meetings of the Board of Directors shall be held at the principal office of the Corporation, or at such other place as the Chair of the Board of Directors may designate.
3. Special Meetings – The times, dates, and places of special meetings of the Board may be set at the call of the Chair, upon written call by the majority of Board members, or upon resolution of the Board.

Notice shall be given by the usual means of communication in compliance with Open Meetings Law.

4. Attendance – Attendance by a member at a meeting shall constitute a waiver of notice of such meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called.
5. Quorum – A majority of the members of the Board of Directors in office immediately before the meeting begins shall constitute a quorum for the transaction of business. The number of Directors in office shall be determined by the current record of the members of the Board of Directors for the Corporation maintained by the Secretary of the Board {Article VI 1.(c) }
6. Parliamentary Rules – All meetings shall be conducted in an open, orderly and fair manner; and Robert’s Rules of Order, as revised, shall apply to all deliberations.
7. Manner of Acting – Except as otherwise provided by law, the Articles of Incorporation, or these Bylaws, all matters before the Board of Directors shall be decided by a majority vote of the Directors present and voting at a meeting at which a quorum exists.

Any one or more or all of the Directors or members of a committee may participate in a meeting of the Board of Directors or committee by means of a conference telephone or similar communications device that allows all persons participating in the meeting to hear each other. Participation in a meeting by means of a conference telephone or similar communications device shall be deemed present in person at such meeting.

8. Electronic Ballots - If the Board decides to vote by electronic ballot, each Director so voting shall sign his or her ballot; submit his or her ballot with information from which it can be determined that the electronic transmission was authorized by the Director; and the minutes shall show the vote of each Director voting. The electronic ballots shall be printed and made available for public inspection in the office of the Secretary immediately following the meeting at which the vote took place and until the minutes of that meeting are approved, at which time the ballots may be destroyed.
9. Compliance with State Requirements – So long as the Corporation receives funding from the State of North Carolina, it shall conduct its operations, including its meetings, in a manner comparable to Article 33 of Chapter 143 of the General Statutes the [Open Meetings Law](#) and Chapter 132 of the General Statutes [The Public Records Law](#).

## **ARTICLE VIII**

### Contracts, Checks, Deposits, and Funds

1. Contracts – The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the

Corporation; and such authority may be general or confined to specific instances.

2. Loans – No loans shall be contracted on behalf of the Corporation and no evidence indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.
3. Checks and Drafts – All checks, drafts, or other orders for the payment of money, issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.
4. Funds – All funds of the Corporation not otherwise employed shall be deposited to the credit of the Corporation such as banks, trust companies, or other depositories as the Board may select, or as may be designated by any officer, officers, agent, or agents of the Corporation to whom the Board may delegate such power.
5. Acceptance of Gifts – The Board, or any officer or officers or agent or agents of the Corporation to whom such authority may be delegated by the Board, may accept on behalf of the Corporation any contribution, gift, bequest, or devise for the purposes of the Corporation.
6. Audits – Annually, or on request of a majority of the board, the accounts of the corporation shall be audited by a reputable certified public accountant, whose report shall be submitted to each member of the Board.
7. Bond – At the direction of the Board, any officer or employee of the Corporation shall be bonded. The Corporation shall pay the expense of procuring any such bond.

#### **ARTICLE IX** Indemnification

Any person who at any time serves or has served as a member of the Board of Directors or officer of this Corporation, or in such capacity (as officer or director) at the request of the Corporation for any other corporation, whether for profit or non-profit, shall have the right to be indemnified by the Corporation to the fullest extent permitted by law against (a) reasonable expenses, including attorney's fees actually and necessarily incurred by him or her in connection with any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, and whether or not brought by or on behalf of the Corporation, seeking to hold him or her liable by reason of the fact that he or she is or was acting in such capacity and (b) reasonable payments made by him or her in satisfaction of any judgment, money decree, line, penalty, or settlement for which he or she may have become liable in any such action, suit, or proceeding.

The Board of Directors shall take all such action as may be necessary and appropriate to authorize the Corporation to pay the indemnification provided by this Bylaw, including without limitation, to the extent necessary, making a good faith evaluation of the manner in which the claimant for indemnity acted and of the reasonable amount of indemnity due him or her.

Limitation of Director's Personal Liability. No Director of the Corporation shall have personal liability arising out of an action whether by or in the right of the Corporation or otherwise for monetary damages for breach of any duty as a Director provided, however, that the foregoing shall not limit or eliminate the personal liability of a Director with respect to (i) acts or omissions occurring prior to the date of the effectiveness of these Bylaws, (ii) acts or omissions that such Director at the time of such breach knew or believed were clearly in conflict with the best interest of the Corporation, (iii) any liability under §§ 55A-8-32 or 55A-8-33 of the North Carolina General Statute or any successor provision, or (iv) any transaction from which such Director derived an improper personal benefit.

Furthermore, notwithstanding the foregoing provision, in the event that §55A-2-02 or any other provision of the North Carolina General Statutes is amended or enacted to permit further limitation or elimination of personal liability of a Director, the personal liability of the Corporation's Directors shall be limited or eliminated to the fullest extent permitted by the applicable law.

This Article shall not affect any other provision permitted under the North Carolina General Statutes and the Articles of Incorporation, Bylaws, or contract or resolution of the Corporation indemnifying or agreeing to indemnify a Director against personal liability. Any repeal or modification of this paragraph shall not adversely affect any limitation hereunder on the personal liability of a Director with respect to acts or omissions occurring prior to such repeal or modification.

## **ARTICLE X**

### Relations with Public Bodies

1. Grants and Appropriations – The Corporation contemplates that in the conduct of its affairs it will from time to time receive grants or appropriations from public bodies of North Carolina. Expenditures by the Corporation of such grants or appropriations shall be made only for public purposes and only for the charitable purposes of the Corporation and according to law.
2. Report to Public Bodies – Annually within thirty (30) days after the annual audit required by Article VIII, Section 6, shall have been delivered to each member of the Board, the Chair shall transmit a copy of that annual audit to any public body of the state of North Carolina from which any grant or appropriation has been received during the fiscal year to which such audit applies, together with a report briefly stating the nature of the activities carried on by the Corporation during that fiscal year and stating the Corporation's compliance, to the best of the knowledge of the Chair, with the provisions of this Article X.

3. Audit by State Auditor – So long as the Corporation receives funding from the State of North Carolina, the Corporation shall be subject to the audit and review by the State Auditor pursuant to Article 5A of Chapter 147 of the General Statutes.

## **ARTICLE XI**

### Fiscal Year

Except as altered by a resolution of the Board of Directors, the fiscal year of the corporation shall begin on the first day of each July and end on the last day of June next ensuing.

## **ARTICLE XII**

### Prohibition Against Sharing in Corporate Earnings

No director, officer, employee, or member of a committee of the Corporation, or any other private individual (within the meaning of Section 501 of the Internal Revenue Code or its successor provisions), shall at any time receive any of the net earnings from the activities of the Corporation, but that shall not prevent the payment to any person of such reasonable compensation that the Board of Directors shall fix for services rendered to or for the Corporation in effecting any of its purposes; and no such person shall be entitled to share in the distribution of any corporate assets on the dissolution of the Corporation. All directors of the Corporation shall be deemed expressly to have consented and agreed that upon such dissolution or similar winding-up of the affairs of the Corporation, whether voluntary or involuntary, the assets of the Corporation then remaining in the hands of the Board, after satisfaction of the Corporation's liabilities, shall be transferred, conveyed, delivered, and paid over as provided in the Articles of Incorporation.

## **ARTICLE XIII**

### General Provisions

1. Limit of Use of Property and Funds to Purposes of the Corporation – No funds or property of the Corporation shall be devoted to or expended for any purpose or objective not stated in the Corporation's Certificate of Incorporation, but all the Corporation's funds and properties shall at all times be used exclusively for said corporate purposes. In no event shall any of the funds or property of the Corporation be used for personal benefit, by way of compensation, directly or indirectly, of these directors, with the exception of the President, who may be paid a salary set by the directors for services actually rendered.

Waiver of Notice – Whenever any notice is required to be given to any director or other person under the provisions of these Bylaws, the Articles of Incorporation, or any applicable law, a waiver thereof and writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.



3. Amendments – These Bylaws may be altered, amended, or repealed, or new Bylaws may be adopted, at any meeting of the Board of Directors, by a vote of two-thirds of the Directors present and voting, if at least thirty days written notice is given of the intention to take such action at such meeting.

Amended by Action of the NCPC Board of Directors on July 29, 1999

Amended by Action of the NCPC Board of Directors on January 14, 2000

Amended by Action of the NCPC Board of Directors on January 13, 2005

Amended by Action of the NCPC Board of Directors on January 18, 2007

Amended by Action of the NCPC Board of Directors on September 18, 2008 Amended by

Action of the NCPC Board of Directors on January 15, 2009

Amended by Action of the NCPC Board of Directors on March 18, 2010

Amended by Action of the NCPC Board of Directors on September 16, 2010 Amended by

Action of the NCPC Board of Directors on January 20, 2011

Amended by Action of the NCPC Board of Directors on June 21, 2012

Amended by Action of the NCPC Board of Directors on March 21, 2013

Amended by Action of the NCPC Board of Directors on June 16, 2015

Amended by Action of the NCPC Board of Directors on September 13, 2016

Amended by Action of the NCPC Board of Directors on September 19, 2017

Amended by Action of the NCPC Board of Directors on January 22, 2019

**The North Carolina Partnership for Children Board of  
Directors  
Ethics Requirements**

The North Carolina Partnership for Children, Inc. (NCPC) Board is defined as a "covered board" by the NC Ethics Commission, and all NCPC Board members are required to file a Statement of Economic Interest (SEI) with the Ethics Commission before they are appointed.

The SEI Long Form (for use if this is the first time you have filed) and No Change form (for use if you filed for another reason last year) are also available to submit electronically on their website: <http://www.ethicscommission.nc.gov/sei/blankForm.aspx>, along with tips and instructions for completing the form. In addition, Ethics Commission staff are always available to help answer questions at (919) 715-2071 or [ethics.commission@doa.nc.gov](mailto:ethics.commission@doa.nc.gov).

As a new board member, Ethics legislation requires that you submit the attached Statement of Economic Interest (SEI) before the April 15 due date. In order to vote at upcoming board meetings, your SEI must have been received and evaluated by the Ethics Commission. If you have already sent your SEI, you may want to contact the Ethics Commission at (919) 715-2071 or [ethics.commission@doa.nc.gov](mailto:ethics.commission@doa.nc.gov) to ensure they do have it on file.

Once the SEI is filed, you are required to attend a mandatory ethics and lobbying education presentation within six months of your appointment. The Ethics Commission's website lists the various sites across the state where you can attend a live presentation, and there is also an option to attend the presentation online: <http://www.ethicscommission.nc.gov/education/default.aspx>.

NC Legislation § 138A-11 states:

Identify and publish names of covered persons and legislative employees. The Commission shall identify and publish at least quarterly a listing of the names and positions of all individuals subject to this Chapter as covered persons or legislative employees. The Commission shall also identify and publish at least annually a listing of all boards to which this Chapter applies. This listing may be published electronically on a public Internet Web site maintained by the Commission. (2006-201, s. 1; 2008-213, s. 56.)

## **The North Carolina Partnership for Children, Inc. Directors and Officers Liability Insurance**

The North Carolina Partnership for Children, Inc. carries \$1 million in coverage for Directors and Officers Liability. There is a deductible of \$10,000 per loss.

Directors and Officers insurance provides insurance against claims for “Wrongful Acts” by any duly appointed director, officer, or duly constituted committee member or employee.

Wrongful Acts means any error, misstatement, misleading statement, act, omission, neglect, breach of duty committed, attempted, or allegedly committed or attempted by an Insured Person in his or her Insurance Capacity.

**MISSION STATEMENT:** Advance a high quality, comprehensive, accountable early childhood system that benefits each child in North Carolina beginning with a healthy birth.

**The North Carolina Partnership for Children, Inc.**  
**Board Member Role Description**  
**Approved by the Board Development Committee on 4/6/2020**

General Board Service Expectations:

- A. Attend quarterly Board and committee meetings.
- B. Participate on at least one standing committee.
- C. All Board members will make an annual gift of personal significance to them.
- D. The Board recommends terms to be three years for a maximum of two terms, unless in a leadership role.
- E. The NCPC board is a Covered Board and subject to the State Government Ethics Act pertaining to ethics, lobbying and related laws and rules. Each new board member must attend an Ethics, Education & Lobbying Awareness presentation within six months of their appointment and a refresher presentation at least every two years thereafter. Members of the NCPC board must complete a Statement of Economic Interest to be filed with and reviewed by the State Ethics Commission. Members are required to update their Statement of Economic Interest annually.

**1. Board Giving Policy**

The Board approves a board giving campaign goal of at its annual meeting and commits to having 100% of board members make a financial contribution.

**2. Ambassadors**

Board members are ambassadors for Smart Start and young children and are occasionally asked to advocate for policy and funding at the State Legislature and for corporate donations.

**3. Conflict of Interest Policy**

NCPC recognizes that effective governance depends on deliberate, thoughtful, and disinterested decision-making by its directors, officers and staff. Moreover, NCPC's work depends on the continued trust and confidence in its integrity, which is grounded in fair and responsible decision-making.

The Board of Directors of NCPC believes it is in the best interest of NCPC to abide by a clear and concise Conflict of Interest Policy.

- All appointed Board members shall avoid conflicts of interest and the appearance of impropriety. Should instances arise when a conflict may be perceived, any individual who may benefit directly or indirectly from the NCPC's disbursement of funds shall abstain from participating in any decision or deliberations by NCPC regarding the disbursement of funds.
- The person known to have a Conflict of Interest may not vote on the Contract or Transaction and must leave the room during the vote unless leaving the room brings attendance below the level of a quorum.

#### 4. **Communication between Board and NCPC Staff**

NCPC's governing board and staff work together to ensure its mission is fulfilled. In general, Board members are charged with setting policies and direction while staff is responsible for carrying out the work of the organization.

The board and staff will often be working collaboratively through committees and project-specific work. Communication between board and staff members should follow the following guidelines:

- NCPC's President must be informed about meetings that take place outside the regular business of Standing Committees and Special Committees.
- Board members must respect the staff structure and relationships that employees have to supervisors.
- Board member can request information and reports but should not direct work by asking for information that is not already prepared or otherwise easy to retrieve.
- When in doubt, ask NCPC's President to facilitate.

## **The North Carolina Partnership for Children, Inc. Board of Directors Structure**

Board Chair – appointed by Governor

Board Officers:

Vice Chair, Secretary, and Treasurer (also serves as chair of the Finance & Audit Committee) – elected by Board members

Executive Committee – made up of Board Officers and Committee Chairs

Standing Committees:

The Accountability Committee’s purpose is to provide focus and assurance that Smart Start program activities and results align with and advance the Smart Start mission and to provide recommendations to the Board on policies and guidelines for programmatic accountability.

The Board Development Committee’s purpose is to ensure that Board members, both individually and collectively, have the competencies necessary to perform their tasks as Board members and lead the corporation toward achieving its strategic goals. The Committee also ensures governance best practices are followed and regularly evaluates the effectiveness of the Board and its committees.

The Finance and Audit Committee’s purpose is to provide oversight of the financial affairs of the corporation including investments, budgeting and reserve, oversee the review of the audited financial statements as well as the Corporation’s internal control, risk management and compliance functions and to provide direction for the Board on fiscal and audit responsibility. The Committee provides direction to the Board on the integrity of financial reports, internal controls and compliance with legal and regulatory requirements.

The Fund Development and Communications Committee’s purpose is to expand the fund development capacity of NCPC and local partnerships to increase private investments for administrative and programmatic needs, and make recommendations to the Board regarding communications policies.

**The North Carolina Partnership for Children, Inc.  
Guidelines for Non-Board Member Representation  
on NCPC Board Committees**

The Board Development Committee of The North Carolina Partnership for Children, Inc. (NCPC) Board of Directors (Board) requested that staff develop recommendations for non-Board member nomination to and participation on NCPC Board committees.

NCPC bylaws state that the Board Chair (Chair) “may recommend non-Board members to serve on committees of the Board with approval of the Board of Directors.” Such appointments provide opportunity to enhance the diversity of skillsets and backgrounds represented in Board decisions, cultivate incoming and prospective Board members, and continue to engage past Board members. The proposed guidelines are intended to maximize the benefits of non-Board members’ participation and do so in a manner consistent with NCPC bylaws and the Board structure prescribed in state law.

The recommendations are:

1. Selection Process
  - a. The Board Development Committee may nominate candidates who are not current Board members for recommendation by the Chair, with approval of the Board of Directors, to the Board’s standing committees.
    - i. When assessing and nominating potential candidates, the Board Development committee shall consider the extent to which candidates reflect a diversity of talents, perspectives, backgrounds, and resources, and who reflect the diversity of families Smart Start serves in race/ethnicity, age, and geographic composition.
  - b. When electing to recommend a non-Board member to serve on a committee, the Chair will communicate the recommendation to the recommended individual and to the full Board for approval.
2. Restrictions
  - a. Non-Board members shall serve two-year terms.
  - b. Non-Board members may serve for a total of two terms.
  - c. Non-Board members may not serve on more than one Board Committee at the same time.
3. Committee Composition
  - a. Non-Board members serving on committees may participate in discussions and vote; however, they shall not count toward quorum. All committees of the Board serve in an advisory capacity of the Board of Directors.
  - b. The total number of non-Board members on a committee, including local partnership representatives, shall not exceed the number of committee members required to achieve a quorum for meetings of that committee.
  - c. Representation from non-Board members, other than local partnership representatives, shall not be required on any committee.

## **The North Carolina Partnership for Children, Inc. (NCPC) Accountability Committee Charter**

### **I. Purpose**

The Accountability Committee is a standing committee of the Board of Directors. The Committee's purpose is to provide focus and assurance that Smart Start program activities and results align with and advance the Smart Start mission and to provide recommendations to the Board on policies and guidelines for programmatic accountability.

### **II. Members**

The Accountability Committee shall consist of members of the Board and local partnership representatives appointed by the Chair of the Board of Directors. The Chair and Vice-Chair of the Accountability Committee shall be appointed at the annual meeting by the Chair of the Board of Directors for a term of one year. The Chair of the Board of Directors shall serve as an ex-officio member of the Committee.

### **III. Operations**

The Accountability Committee shall meet four times per year or as often as needed. Each regular meeting will focus on at least one of the responsibilities listed below. Minutes shall be maintained and a report of proceedings and actions shall be presented at the next meeting of the Board. Committee members will receive minutes from each meeting. Meetings will be governed by the same rules regarding meeting requirements that apply to the Board. All meetings shall be conducted in compliance with Article 33 of Chapter 143 of the General Statutes [The Open Meeting Law], and Chapter 132 of the General Statutes [The Public Records Law].

### **IV. Responsibilities**

The Accountability Committee shall consult with staff to provide oversight and make recommendations to the Board relating to programmatic results and accountability. Primary duties and responsibilities of the Committee are:

1. Review, and if needed, recommend changes to the nature, scope, standards of performance, policies and procedures for Community Early Childhood Profile – Smart Start Measures of Impact.
2. Monitor the fulfillment of goals and objectives as set forth in NCPC's strategic plan, and if needed, make recommendations for adjustments to goals, objectives or indicators and for additional policy to support achievement of goals to the full board.
3. Annually review programmatic outcomes and outputs.
4. Maintain the Program Accountability Plan.
5. Perform an annual evaluation of the Committee's performance and make applicable recommendation.
6. Regularly review and make changes to the charter of the Committee.



## **The North Carolina Partnership for Children, Inc. Board Development Committee Charter**

### **I. Purpose**

The Board Development Committee is a standing committee of the Board of Directors. The Committee's purpose is to ensure that Board members, both individually and collectively, have the competencies necessary to perform their tasks as Board members and lead the corporation toward achieving its strategic goals. The Committee also ensures governance best practices are followed and regularly evaluates the effectiveness of the Board and its committees.

### **II. Members**

The Board Development Committee shall consist of members of the Board and local partnership representatives appointed by the Chair of the Board of Directors. The Chair and Vice-Chair of the Board Development Committee shall be appointed at the annual meeting by the Chair of the Board of Directors for a term of one year. The Chair of the Board of Directors shall serve as an ex-officio member of the Committee.

### **III. Operations**

The Board Development Committee shall meet four times per year or as often as needed. Each regular meeting will focus on at least one of the responsibilities listed below. Minutes shall be maintained and a report of proceedings and actions shall be presented at the next meeting of the Board. Committee members will receive minutes from each meeting. Meetings will be governed by the same rules regarding meeting requirements that apply to the Board. All meetings shall be conducted in compliance with Article 33 of Chapter 143 of the General Statutes [The Open Meeting Law], and Chapter 132 of the General Statutes [The Public Records Law].

### **IV. Responsibilities**

The Board Development Committee shall consult with staff and make recommendations to the Board relating to developing an engaged and effective Board of the Corporation. Primary duties and responsibilities of the Committee are:

1. Establish, identify, and promote board participation in programs/processes for Board or member development and growth.
2. Develop and conduct new Board member and Officer orientation.
3. Conduct periodic evaluations of the bylaws and all strategic governance policies; Board processes; and Board committee structure, responsibilities, and composition and make recommendations as needed to the Board.

4. Periodically conduct a Board performance self-evaluation and governance process evaluation and advise the Board of appropriate revisions to the governance process.
5. Perform a bi-annual evaluation (every two years) of the Committee's performance and make applicable recommendation.
6. Regularly review and make changes to the charter of the Committee.

**The North Carolina Partnership for Children, Inc.**  
**Finance and Audit Committee Charter**

I. Purpose

The Finance and Audit Committee is a standing committee of the Board of Directors. The Committee's purpose is to provide oversight of the financial affairs of the corporation including investments, budgeting and reserve, oversee the review of the audited financial statements as well as the Corporation's internal control, risk management and compliance functions and to provide direction for the Board on fiscal and audit responsibility. The Committee provides direction to the Board on the integrity of financial reports, internal controls and compliance with legal and regulatory requirements.

II. Members

The Finance and Audit Committee shall consist of members of the Board and local partnership representatives appointed by the Chair of the Board of Directors. The Treasurer shall serve as the Chair of the Finance and Audit Committee. The Vice-Chair of the Finance and Audit Committee shall be appointed at the annual meeting by the Chair of the Board of Directors. The term for the Chair coincides with the Chair's term as Treasurer of the Corporation. The term for the Vice-Chair is one year. The Chair of the Board of Directors shall serve as an ex-officio member of the Committee.

III. Operations

The Finance and Audit Committee shall meet four times per year or as often as needed. Each regular meeting will focus on at least one of the responsibilities listed below. Minutes shall be maintained and a report of proceedings and actions shall be presented at the next meeting of the Board. Committee members will receive minutes from each meeting. Meetings will be governed by the same rules regarding meeting requirements that apply to the Board. All meetings shall be conducted in compliance with Article 33 of Chapter 143 of the General Statutes [The Open Meeting Law], and Chapter 132 of the General Statutes [The Public Records Law].

IV. Responsibilities

The Finance and Audit Committee shall consult with staff to provide oversight and to make recommendations to the Board relating to financial affairs of the Corporation. Primary duties and responsibilities of the Committee are:

1. Recommend and review strategies and scenarios to promote efficient and effective use of Smart Start funds throughout the State.
2. Recommend and review methodology for allocation of the Smart Start annual budget appropriation and all components of the allocation.

3. Review the Corporation's annual budget.
4. Review acceptance of grant funds.
5. Review the Corporation's revenue, expenditures, reserves and other matters related to ongoing solvency.
6. Maintain the Investment Policy and philosophy including allocation of the investment portfolio, accepted investment vehicles and management of investment risk.
7. Review the Fiscal Accountability Plan, Penalty Policies, Local Partnership Program Match and the Fundraising Report.
8. Provide oversight of the Multi-Partnership Accounting and Contract Plan and Policies.
9. Review the Local Partnership monitoring and audit plan for the coming year and discuss plans with staff and auditors as needed.
10. Perform an annual evaluation of the Committee's performance and make applicable recommendation.
11. Oversee the establishment of internal controls that promote good financial stewardship.
12. Annually meet with the North Carolina Office of State Auditor to provide information as requested. Report the results of the audit to the Board.
13. Review the Audit Communication Plan.
14. Receive report of Local Partnership audits.
15. Review the manner in which business risks of the Corporation are being planned for and managed.
16. Oversee the Corporation's compliance with legislative, regulatory and grantor standards.
17. Oversee the Corporation's compliance with Conflict of Interest, Code-of-Ethics and Whistle-blower Policies.
18. Review the annual Local Partnership Compliance Report.
19. Review the annual IRS Form 990 prior to submission.
20. Regularly review and make changes to the charter of the Committee.

**The North Carolina Partnership for Children (NCPC)  
Fund Development and Communications Committee Charter**

**I. Purpose**

The Fund Development and Communications Committee is a standing committee of the Board of Directors. The Committee's purpose is to expand the fund development capacity of NCPC and local partnerships to increase private investments for administrative and programmatic needs, and make recommendations to the Board regarding communications policies.

**II. Members**

The Fund Development and Communications Committee shall consist of members of the Board and local partnership representatives appointed by the Chair of the Board of Directors. The Chair and Vice-Chair of the Fund Development and Communications Committee shall be appointed at the annual meeting by the Chair of the Board of Directors for a term of one year. The Chair of the Board of Directors shall serve as an ex-officio member of the Committee.

**III. Operations**

The Fund Development and Communications Committee shall meet four times per year or as often as needed. Each regular meeting will focus on at least one of the responsibilities listed below. Minutes shall be maintained and a report of proceedings and actions shall be presented at the next meeting of the Board. Committee members will receive minutes from each meeting. Meetings will be governed by the same rules regarding meeting requirements that apply to the Board. All meetings shall be conducted in compliance with Article 33 of Chapter 143 of the General Statutes [The Open Meeting Law], and Chapter 132 of the General Statutes [The Public Records Law].

**IV. Responsibilities**

The Fund Development and Communications Committee shall consult with staff to provide oversight and make recommendations to the Board relating to fund development and communications. Primary duties and responsibilities of the Committee are:

1. Increase the private dollars in NCPC's Annual Fund, and Board giving, as well as goals for all fundraising activities.
2. Improve internal NCPC grants management program that includes tools and resources to secure and manage granted funds.
3. Enhance NCPC and Local Partnership communications and development activities by providing tools, resources, education, and support.

4. Increase financial resources with a collaborative fundraising program that utilizes, supplements, and benefits the network as well as NCPC.
5. Regularly review and make changes to the charter of the Committee.

## Local Partnership Advisory Committee

### Legislative Mandate

The Local Partnership Advisory Committee (LPAC) is mandated in in Smart Start legislation, section §143B-168.12 as follows:

**(8)** *The North Carolina Partnership shall establish a local partnership advisory committee comprised of 15 members. Eight of the members shall be chosen from past board chairs or duly elected officers currently serving on local partnerships' board of directors at the time of appointment and shall serve three-year terms. Seven of the members shall be staff of local partnerships. Members shall be chosen by the Chair of the North Carolina Partnership from a pool of candidates nominated by their respective boards of directors. The local partnership advisory committee shall serve in an advisory capacity to the North Carolina Partnership and shall establish a schedule of regular meetings. Members shall be chosen from local partnerships on a rotating basis. The advisory committee shall annually elect a chair from among its members.*

Two members of LPAC also serve on The North Carolina Partnership for Children, Inc. (NCPC) Board of Directors as also described in Smart Start legislation, section §143B-168.12 as follows:

**(1)** *The North Carolina Partnership shall have a Board of Directors consisting of the following 26 members:*

*e. Three members of the public, including one child care provider, one other who is a parent, **and one other who is a board chair of a local partnership serving on the North Carolina Partnership local partnership advisory committee, appointed by the General Assembly upon recommendation of the President Pro Tempore of the Senate;***

*f. Three members of the public, including one who is a parent, one other who is a representative of the faith community, **and one other who is a board chair of a local partnership serving on the North Carolina Partnership local partnership advisory committee, appointed by the General Assembly upon recommendation of the Speaker of the House of Representatives;***

### Purpose and Role

As stated above, LPAC acts in an advisory capacity communicating Smart Start emerging issues and potential policy decisions between local partnerships and NCPC. LPAC's role is to help assure that the Smart Start network is achieving positive outcomes for young children and families across the state by:

- Identifying and communicating information to NCPC on emerging issues from local partnerships.
- Identifying and communicating information to local partnerships on emerging issues from NCPC.
- Providing a direct link between NCPC Board Committees, LPAC, and local partnerships.
- Collaborating with NCPC on the development and implementation of leadership and professional development opportunities for the Smart Start Network (i.e., Smart Start Leadership Symposium, ED Forum sessions, regional meetings, webinars, etc.)

***(LPAC guidelines are continued on the next page)***

**The North Carolina Partnership for Children, Inc.  
Guidelines for Local Partnership Representation on  
NCPC Board Committees As of June 20, 2017**

The Executive Committee of The North Carolina Partnership for Children, Inc. (NCPC) Board of Directors (Board) requested staff to recommend guidelines for local partnership representation on NCPC board committees. Many questions have been raised by local partnerships as to how representatives are selected, their term, responsibility for communicating with other local partnerships, etc. The Executive Committee felt that a set of Board guidelines that applied to all committees would provide consistency and clear communication of the process to the local partnerships.

It is recognized that the selection process will be phased-in as vacancies occur on each committee. Committees that have not already done so should establish the term of each of their current local partnership members. It is recommended that the term ending dates of the current local partnership members be staggered so that there is always a composition of new and experienced partnership members.

The recommended guidelines are:

1. Local partnership representative must be an executive director with at least one year of experience or a current or past board chair or current duly elected officer.
2. Term will be for two years.
3. Selection Process:
  - a. For one local partnership representative on an NCPC Board Committee, LPAC will recommend whenever possible, at least two or more nominees from different regions to the NCPC Board Chair. The NCPC Board Chair will make the selection and communicate it to the Board Committee, LPAC and the individual. The local partnership representative is responsible for soliciting feedback on partnership issues.
  - b. For the second representative, LPAC will recommend a member of LPAC currently serving to the NCPC Board Chair.
  - c. A local partnership executive director or board chair may not serve on more than one Board Committee at the same time.
4. Maximum number of local partnership representatives on each committee shall be two.
5. Local partnership representatives serving on Standing Committees of the Board serve in an ex officio capacity. They may participate in discussions and vote; however, they are not counted in the quorum. All committees of the Board serve in an advisory capacity of the Board of Directors.

Approved by the NCPC Board on May 10, 2002.

Revised on March 19, 2009.

Updated # of Board Members and # LP Rep. on April 1, 2010.

Revised by NCPC Board on June 16, 2010

Adopted Executive Committee December 20, 2010

Revised by NCPC Board on September 19, 2012

Revised by NCPC Board on January 30, 2015

Revised by NCPC Board on June 20, 2017



**The North Carolina Partnership for Children, Inc.**  
**Summary of Board Operating Policies**  
As of September 2019

**5. Attendance Policy – Board Approval Sept. 19, 2017**

Members of the Board of Directors of The North Carolina Partnership for Children, Inc. (NCPC) shall attend all scheduled board and assigned committee meetings. In the event that a board member cannot perform this responsibility, the board member shall report the anticipated absence to NCPC prior to the board or committee meeting. Notification to NCPC prior to the meeting serves as being excused.

If in any one year a board member is unable to attend at least half of the scheduled board meetings and at least half of the scheduled committee meetings, the Chair will communicate the attendance responsibility to the individual board member.

It is the expectation that members attend at least the first two hours of a four-hour Board meeting, or at least 50% duration, of Board meetings of alternative schedules.

Members who miss at least three consecutive board meetings without excuse (i.e. notification to NCPC prior to the meeting) during their term will be reported to the appropriate appointing authority in accordance with the Smart Start legislation.

**6. Board Development**

The Board development process begins with orienting board members to their roles and also includes leveraging the experience and skills of volunteer leaders to align unique talents with the needs of the organization,

- **Orientation** – New Board members will participate in a three part process to become acquainted with the Board’s role and expectations, NCPC, and the Smart Start network. The process occurs over approximately three months and has the following three primary areas of focus.
  - Baseline Expectations – Each new member is supported in learning the expectations through two primary tools.
    - The *Board of Directors Operating Procedures Manual* provides background information and outlines core expectations of board members in fulfilling their governance role. This includes understanding how NCPC functions, the structure and processes of the Board, and governance responsibilities.
    - Four brief on-line training modules that cover:
      - History and Case for Support – background critical to understanding the role and purpose of NCPC and Smart Start and to place the strategic plan in context.
      - Structure – review of governing board, NCPC staff, local partnerships, and LPAC structures and responsibilities.
      - Board Responsibilities and Policies – overview of bylaws, governance roles and operating policies, committee roles, and how communication functions between Board and staff members.

- Individual Responsibilities – information on individual responsibilities and opportunities to serve.
- Alignment with Strategic Roadmap – NCPC’s Strategic Roadmap is a living tool to direct organizational focus toward improved outcomes for children. Each member will receive a copy of the Roadmap and have an opportunity to review and discuss the document and current efforts with staff and board members.
- Individualized Expectations – New members complete a survey to share information about their unique experience, skills and interests, and meet with staff and board members to discuss these. Members will also be invited to visit a local Smart Start agency to learn firsthand about some of the important work occurring in each community.
- **Ongoing Board Development** – Annual surveys and Board discussions will determine additional training and development opportunities to be offered.

**7. Protocol when Resigning**

A member, who wishes to resign, should alert the Board Chair and Appointing Authority in writing with an effective date.

Recognition for Board Members – Board Approval September 13, 2016

For departing Board members, recognition from NCPC may include:

- Posting on NCPC website – new board members and exiting board members
- Social media postings of gratitude and thanks
- Feature in NCPC Annual Report – welcome or leaving
- Notify local press from board member’s home region for recognition of service
- Special gift and recognition for out-going board chair or president (after the chair or president leaves the Board because of ethics laws)

**8. Board Giving Policy – Board Approval September 16, 2010**

The Board approves a board giving campaign goal of at its annual meeting and recommit to having 100% of board members make a financial contribution.

**9. Incoming Grants** – The president is authorized to contract in the name of the organization, to accept all gifts and bequests, and to seek grants for the organization. Grants in excess of \$100,000 will be approved by the Executive Committee prior to entering into contract.

**10. Travel** – Board members are reimbursed at the state rate for mileage and meals. Reimbursement forms are available at every Board and Committee meeting. At its September 16, 2010 meeting, the NCPC Board approved Lodging Reimbursement for Board Members. When the NCPC Board was determined to be a “covered” board by the Ethics Commission, NCPC was advised by its attorneys that board members could only be reimbursed for mileage and meals and not lodging. The Ethics Commission determined that NCPC is a “state agency” only as it relates to this section of the law. The Board voted to approve lodging reimbursement for board members on Board business.

**11. Local Partnership Visits** – Board members are encouraged to visit local partnerships with ample notice to the partnership and use an easy reporting mechanism provided by NCPC to track volunteer hours. Board

members may accept an invitation, or ask for an invitation. NCPC staff will inform local partnerships that board members are encouraged to visit partnerships. Board members should not accept a fee, lunch, or gifts while visiting as part of State Ethics Commission requirements.

**12. Recording Volunteer Hours** – Forms are distributed at every Board and Committee meeting. Members may record their hours, including travel time, and may add additional hours for visits to local partnerships or other volunteer hours.

**13. Conflict of Interest Policy** – Board Approval September 15, 2008. See Attached.

**14. Role of Board Chair**

The authority and responsibilities of the Chair are outlined in North Carolina General Statute, The North Carolina Partnership for Children, Inc. (NCPC) bylaws and Board policy and practice.

The Chair is appointed by the Governor. This is in legislation and incorporated into NCPC's bylaws. There is no established term for the Chair. Rather, the Chair serves at the pleasure of the Governor.

The Chair is accorded many responsibilities by NCPC's bylaws. They include:

- Article V, Section 3 - the Chair presides at all meetings of the Board and performs such other duties as may be directed by the Board.
- Article V, Section 7 – The Chair receives written notice from any Director who resigns.
- Article V, Section 8 (a) - The Chair is the chair and member of the Executive Committee.
- Article V, Section 9 - The Chair appoints the chair and vice-chair of the standing committees at the Annual Meeting in September.
- Article V, Section 9 (c) – Other Committees – The Chair of the Board may establish any Special Committee which may also be referred to as a Task Force or an Advisory Council. All Special Committees, Task Forces and Advisory Councils serve as Ad Hoc Committees. The Chair shall appoint the members to these Special Committees. The Chair shall designate the Chair and Vice Chair for each committee. Committees serve in an advisory capacity to the Board.
- Article V, Section 9 (d) – The Chair may recommend non-Board members to serve on committees of the Board with approval of the Board of Directors.
- Article V, Section 9 (e) – The Chair of the Board shall serve as an ex officio member of all committees except the Nominating Committee. The Chair shall not be counted in determining the quorum for any committee meeting.
- Article V, Section 10 – The Chair may appoint a Parliamentarian from among the members of the Board. The Parliamentarian acts in an advisory capacity to the Chair.
- Article V, Section 11 - The Chair will choose members of the Local Partnership Advisory Committee (LPAC) from a pool of candidates nominated by their respective board of directors.
- Article VII, Section 1 – Regular Meetings – Board of Directors shall meet four times annually. The Board shall consider and adopt four meeting dates at its annual meeting. The annual meeting of the Board shall be held in September, or at such time the Board may fix for the purpose of electing officers of the Corporation and the Board of Directors and for the transaction of other business.

Written notice of the time, date, and place of Board meetings shall be given by the Chair of the Board or the president of the Corporation to each member of the Board at least ten (10) days in advance of the

meeting. An agenda drafted by the Chair, in consultation with the President, and materials shall be sent or made available electronically to all Board members at least 5 days in advance of meetings.

If it is determined a quorum will not be present for the meeting or the meeting needs to be rescheduled for other reasons, the Chair shall determine and schedule another date and time to hold the Board meeting.

- Article VII, Section 2 – Board meetings shall be held at NCPC’s offices or such other place as designated by the Chair.
- Article VII, Section 3 – The Chair may call Special Board Meetings.
- Article X, Section 2 – The Chair will transmit a copy of NCPC’s annual audit to any public body of the state of North Carolina from which a grant or appropriation had been received during the year under audit.

The Chair initiates the annual evaluation of the President using the President’s Self-Assessment and an evaluation form informed by input by the Executive Committee members. The Chair reviews results with the Executive Committee and the President and then with Board members in a Closed Session of the Board. A letter is prepared and signed by the Board Chair for the President's personnel file.

The Chair has many opportunities for meeting and influencing stakeholders. The Chair may open or speak at Smart Start events hosted by NCPC or local partnerships.

The Chair is the spokesperson for NCPC and NCPC’s Purpose, Vision and Mission. Working with staff, the Chair communicates with stakeholders on policy and practices that influence and impact the work of NCPC. Together with staff and Board members, the Board Chair determines the direction of the organization.

**15. Performance Evaluation of President – Executive Committee Approval August 18, 2014**

The Executive Committee completes the evaluation form, as they work closest with the president and history has shown that many Board members do not feel they have sufficient information to complete the evaluation. The full board is surveyed. Evaluation is completed prior to the annual meeting.

**16. Board Meeting quarterly priorities - Sample Agenda and Annual Calendar – see attached.**

## THE NORTH CAROLINA PARTNERSHIP FOR CHILDREN, INC. CONFLICT OF INTEREST POLICY AND PROCEDURES

The North Carolina Partnership for Children, Inc. (NCPC) recognizes that effective governance depends on deliberate, thoughtful, and disinterested decision-making by its directors, officers and staff. Moreover, NCPC's work depends on the continued trust and confidence in its integrity, which is grounded in fair and responsible decision-making.

The Board of Directors of NCPC believes it is in the best interest of NCPC to establish a clear and concise Conflict of Interest Policy. The Conflict of Interest Policy is intended to promote the avoidance of Conflicts of Interest and the appearance of impropriety by NCPC directors, officers and staff. It sets the rules for conduct, including disclosure by directors and officers of personal or financial interests that may affect the business of NCPC.

This Conflict of Interest Policy is designed to help directors and officers of NCPC identify situations that present potential Conflicts of Interest and to provide NCPC with a procedure which, if observed, will allow a Board action to be treated as valid and binding even though a director or officer has or may have a Conflict of Interest with respect to the issue. The Policy is intended to comply with the requirement prescribed in North Carolina Statutes, Section 143B-168.12(a)(1), NCPC's contract with the Department of Health and Human Services and with Article V, Paragraph 4(b) of NCPC's Bylaws. All capitalized terms, other than NCPC and Board of Directors, are defined in #2 below of this policy.

1. Conflict of Interest Defined. For purposes of this policy, the following circumstances shall be deemed to create Conflicts of Interest:
  - A. Direct Interests. A Contract or Transaction between NCPC and a Responsible Person or Family Member.
  - B. Indirect Interests. A Contract or Transaction between NCPC and an entity in which a Responsible Person or Family Member has a Material Financial Interest or of which such person is a compensated or uncompensated director, officer, agent, partner, employee, trustee, or other legal representative.
  - C. Gifts, Gratuities and Entertainment. A Responsible Person accepting gifts, entertainment or other favors from any individual or entity that:
    - i. does or is seeking to do business with NCPC; or
    - ii. has received, is receiving or is seeking to receive a grant or to secure other financial commitments from NCPC;
2. under circumstances where it might be inferred that such action was intended to influence or possibly would influence the Responsible Person in the performance of his or her duties. This does not preclude the acceptance of items of nominal or insignificant value or entertainment of

nominal or insignificant value which are not related to any particular transaction or activity of NCPC.

3. Definitions.

- A. A Conflict of Interest is any circumstance described in Part 1 of this Policy.
- B. A Responsible Person is any person serving as an officer or member of the Board of Directors or a staff member of NCPC.
- C. A Family Member is a spouse, parent, child, brother, sister, or spouse of a child, brother, or sister, of a Responsible Person.
- D. A Material Financial Interest in an entity is a financial interest of any kind, which, in view of all the circumstances, is substantial enough that it would affect a Responsible Persons or Family Members judgment with respect to transactions to which the entity is a party. For purposes of this policy, a financial interest with respect to a Contract or Transaction shall constitute a Material Financial Interest if, but only if, an ordinarily prudent person in a like position would reasonably conclude that such interest would affect his or her judgment with respect to the Contract or Transaction.
- E. A Contract or Transaction is any agreement or relationship involving the sale or purchase of goods, services, or rights of any kind, the providing or receipt of a grant or other type of funding, or the establishment of any other type of financial relationship with NCPC.
- F. "Board" is NCPC's Board of Directors.

4. Board action. A Contract or Transaction involving a Conflict of Interest may be approved by the Board if the material facts are fully disclosed to the Board and the Board approves the Contract or Transaction in good faith by the affirmative vote (without counting the interested director) of a majority of the Board at a meeting at which there is a quorum present, again without counting the interested director.

5. Procedures.

- A. Prior to action on a Contract or Transaction, the Board or Committee Chair shall ask the group to identify actual or perceived Conflicts of Interest. A director who knows he or she has a Conflict of Interest shall disclose the conflict and such disclosure shall be reflected in the minutes of the meeting.

B. When there is a doubt as to whether a conflict exists, the matter shall be resolved by a vote of the Board of Directors excluding the person(s) concerning whose situation the doubt has arisen.

C. All appointed Board members shall avoid conflicts of interest and the appearance of impropriety. Should instances arise when a conflict may be perceived, any individual who may benefit directly or indirectly from the NCPC's disbursement of funds shall abstain from participating in any decision or deliberations by NCPC regarding the disbursement of funds.

D. The person known to have a Conflict of Interest may not vote on the Contract or Transaction and must leave the room during the vote unless leaving the room brings attendance below the level of a quorum. The official minutes shall reflect that the Conflict of Interest was disclosed and person(s) with the Conflict were not present during the vote and did not vote on the matter.

6. Review of Policy; Annual Disclosure.

A. Each member of the Board and staff shall be required to review a copy of this policy and to acknowledge in writing that he or she has done so.

B. Each member of the Board shall annually complete a disclosure form (copy attached) that shall be submitted to the President. The form will identify the businesses and nonprofit organizations of which such member of the Board, the Board member's spouse (if any), or any dependent child of the Board member, is a director, officer, employee, or partner, and a copy shall be distributed to all officers and directors.

Adopted by NCPC Board of Directors on: September 15, 2005 Revised by  
NCPC Board of Directors on: March 20, 2008 Revised by NCPC Board of  
Directors on: September 18, 2008

Preliminary note: In order to be more comprehensive, this disclosure statement also requires you to provide information with respect to certain parties that are related to you.

These persons are termed “affiliated persons” and include the following:

- a. Your spouse, domestic partner, child, mother, father, brother or sister or spouse of a child, brother or sister; and,
- b. Any corporation or organization of which you are a board member, an officer, a partner, employee or participate in management.

1. NAME \_\_\_\_\_

2. Have you or any of your affiliated persons provided services or property to NCPC in the past year? \_  
\_\_\_\_YES\_\_\_\_NO

If yes, please describe the nature of the services or property and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

\_\_\_\_\_

\_\_\_\_\_

3. Have you or any of your affiliated persons purchased services or property from NCPC in the past year? \_  
\_\_\_\_YES\_\_\_\_NO

If yes, please describe the purchased services or property and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

\_\_\_\_\_

\_\_\_\_\_

4. Please indicate whether you or any of your affiliated persons had any direct or indirect interest in any business transaction(s) in the past year to which NCPC was or is a party? (Direct interest being a transaction or contract between NCPC and you or any of your affiliated persons. An indirect interest being a transaction or contract between NCPC and an entity in which you or an affiliated person has a material financial interest or is a director, officer, agent, partner, employee, trustee or other legal representative.) \_\_\_\_\_YES\_\_\_\_NO

If yes, describe the transaction(s) and entity and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

\_\_\_\_\_

\_\_\_\_\_

5. In the past year, did you or any of your affiliated persons receive, or become entitled to receive, directly or indirectly, any personal benefits from NCPC or as a result of your relationship with NCPC, that in the aggregate could be valued in excess of \$100?

\_\_\_\_YES\_\_\_\_NO



If yes, please describe the benefit(s) and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

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6. Are you or any of your affiliated persons a party to or have an interest in any pending legal proceedings involving NCPC? \_\_\_\_\_ YES \_\_\_\_\_ NO

If yes, please describe the proceeding(s) and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

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7. Are you aware of any other events, transactions, arrangements or other situations that have occurred or may occur in the future that you believe should be examined by NCPC's Executive Committee in accordance with the terms and intent of NCPC's Conflict of Interest Policy? \_\_\_\_\_ YES \_\_\_\_\_ NO

If yes, please describe the situation(s) and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

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I HEREBY CONFIRM that I have read and understand NCPC's Conflict of Interest Policy and that my responses to the above questions are complete and correct to the best of my information and belief. I agree that if I become aware of any information that might indicate that this disclosure is inaccurate or that I have not complied with this Policy, I will notify the Board Chair immediately.

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Signature Date

**The North Carolina Partnership for Children, Inc.**  
**Board/Organization Timeline**

January

- Legislative budget request
- Legislative Agenda (long session)
- Performance-Based Incentive System (PBIS) update
- Report to General Assembly

March

- Strategic Planning – Feb. or March Board Retreat
- Smart Start Accountability Plan
- Visit with legislators (long session)
- Operational presentation
- Statement of Economic Interest
- Ethics Training (every 2 years)

June

- Visit with legislators (short session)
- Local partnership allocation methodology (Executive)
- NCPC Audit Report
- Reminder of Annual Review Process
- Strategic Positioning
- Board Meeting Evaluation (or may be Sept. meeting)
- Election on Nominating Committee

September

- Approve Board Meeting Dates (put in Consent Calendar)
- Chair names committee chairs – and updates committee members
- Election of Officers (Board and NCPC)
- NCPC Budget
- Annual Fundraising & Board Giving Campaign
- Update Conflict of Interest (annually)
- Annual performance review of president
- Strategic Plan update

Every Meeting:

- Approve prior minutes
- Smart Start Program Spotlight
- Board Giving Campaign
- LPAC Update

**The North Carolina Partnership for Children Board of  
Directors Meeting Agenda September 13, 2016  
10 a.m. to 2 p.m.**

MISSION STATEMENT: Advance a high quality, comprehensive, accountable early childhood system that benefits each child in North Carolina beginning with a healthy birth.

<u>Time</u>	<u>Topic</u>	<u>Presenter</u>	<u>Tab</u>
10:00	<b>Call to Order and Establish Quorum</b> <b>Welcome and Opening Remarks</b> Conflict of Interest Updates	Nancy H. Brown, Ph.D., Chair, Presiding	
10:20	<b>Approval of Agenda</b>		
10:25	<b>Consideration of Consent Calendar – Action</b> 1. Minutes of the June 21, 2016 2. Financial Reports	Will distribute at meeting	1
10:30	<b>Action</b>		
	• Amendment to Bylaws		
	o From Board Development Committee	Lorie Barnes	2
	o From Executive Committee		2
	• Election of Officers of the Board	Sue Russell	2
	• Election of Officers of the Corporation		2
	• Setting Term Limits for Board Officers	Sue Russell	2
	• Adopt Board Meeting Dates		2
	• Board Recognition Program	Lorie Barnes	2
	• NCPC Budget	Charles Morris	
		Will distribute at meeting	
	• Fundraising Targets	Charles Morris	
		Will distribute at meeting	
	• New Committee Charters	Will distribute at meeting	
	o Finance & Audit	Charles Morris	
	o Fund Development & Communications	Jennie Eblen	
	• PBIS Revisions	Anna Mercer-McLean	3
11:30	<b>Discussion, Updates and Reports</b>		
	• Legislative and President's Update	Cindy Watkins	4
	• Committee Roster	Will distribute at meeting	
	• Local Partnership Advisory Committee Update	Marie Inscore	4
	• President's Year-End Review		

<u>Time</u>	<u>Topic</u>	<u>Presenter</u>	<u>Tab</u>
12:00	Lunch		
12:20	Continue Discussion, Updates and Reports <ul style="list-style-type: none"> <li>• Board Giving Campaign</li> <li>• Standing Committee Updates <ul style="list-style-type: none"> <li>○ Accountability Committee</li> <li>○ Board Development Committee</li> <li>○ Finance &amp; Audit Committee</li> <li>○ Fund Development and Communications Committee</li> </ul> </li> </ul>	Bob Eagle Committee Chairs	5
12:45	Program Spotlight: Board Member Advocacy	Matt Gross	
1:30	Topics for Next Meeting		
1:45	Meeting Evaluation Form		
2:00	Adjourn		

NCPD Board, Board Committee, LPAC Meetings & SS Conference							Update	7/24/2020
Other Ad Hoc Committee Meetings will be scheduled as needed.							d:	
	Board Meetings 10-2	NCPD Board Committee Meetings					LPAC	Other (Regional LPAC, Conference, ED Forum)
		Executive	Accountability	Board Dev	Finance & Audit	Fund Dev & Comm		
2020 July		7/20/2020 11-1	7/21/2020 1:30-3:30	7/20/2020 1-3		7/14/2020 8:30-10	7/9/2020 9:45-12:15	
August		8/17/2020 11-1			8/18/2020 10-12	8/11/2020 8:30-10		8/3-4/2020 - Virtual ED Forum
September	9/15/2020					9/8/2020 8:30-10		
October						10/13/2020 8:30-10	10/8/2020 10-12	
November						11/10/2020 8:30-10		
December						12/8/2020 8:30-10		
2021 January						1/12/2021 8:30-10		
February						2/9/2021 8:30-10	2/4/2021 9:45-12:15	
March						3/9/2021 8:30-10		
April						4/13/2021 8:30-10	4/8/2021 9:45-12:15	
May						5/11/2021 8:30-10		
June						6/8/2021 8:30-10		
July						7/13/2021 8:30-10	7/8/2021 9:45-12:15	
August								
September								

**Ranking Motions and Incidental Motions  
Based on  
Robert's Rules of Order Newly Revised- 11th Edition**

PRIVILEGED MOTIONS	INTERRUPT?	SECOND?	DEBATE?	AMEND?	VOTE?	RECONSIDER?
13 Fix the Time to Which to Adjourn (12)	No	Yes	No	Yes	Maj	Yes
12 Adjourn	No	Yes	No	No	Maj	No
11 Recess (12)	No	Yes	No	Yes	Maj	No
10 Raise a Question of Privilege	Yes	No	No	No	(1)	No
9 Call for the Orders of the Day	Yes	No	No	No	(1) (15)*	No
<b>SUBSIDIARY MOTIONS</b>						
8 Lay on the Table	No	Yes	No	No	Maj	(3)*
7 Previous Question	No	Yes	No	No	2/3	Yes
6 Limit or Extend Limits of Debate (12)	No	Yes	No	Yes	2/3	Yes
5 Postpone to a Certain Time (or Definitely) (12)	No	Yes	Yes	Yes	Maj	Yes
4 Commit or Refer (12)	No	Yes	Yes	Yes	Maj	Yes
3 Amend	No	Yes	(5)	Yes	Maj	Yes
2 Postpone Indefinitely (12)	No	Yes	Yes (16)	No	Maj	(4)
<b>MAIN MOTIONS</b>						
1 Main Motion	No	Yes	Yes	Yes	Maj	Yes
<b>INCIDENTAL MOTIONS (11)</b>						
Suspend the Rules	No	Yes	No	No	(9)*	No
Withdraw a Motion (13)	*	*	No	No	Maj*	(3)
Objection to the Consideration of a Question (10)	Yes	No	No	No	2/3 NEG.	(3)
Point of Order	Yes	No	No*	No	(1)*	No
Parliamentary Inquiry	Yes	No	No	No	(1)	No
Appeal	Yes	Yes	Yes*	No	(7)	Yes
Point of Information	Yes	No	No	No	(1)	No
Division of the Assembly	Yes	No	No	No	(14)	No
Division of a Question	No	Yes	No	Yes	Maj	No
<b>MOTIONS THAT BRING A QUESTION AGAIN BEFORE THE ASSEMBLY (8)</b>						
Reconsider* (2)	No*	Yes	(5) (16)	No	Maj	No
Rescind	No	Yes	Yes (16)	Yes	(6)	(3)
Take from the Table	No	Yes	No	No	Maj	No
Discharge a Committee	No	Yes	Yes (16)*	Yes	(6)	(3)
Amend Something Previously Adopted	No	Yes	Yes (16)	Yes	(6)	(3)

The **first thirteen** motions are listed by precedence. After the chair states a motion, higher ranking motions are in order and lower ranking motions are not (except for Amend as shown on the chart and Previous Question

\* Refer to Robert's Rules of Order Newly Revised for rule(s)

- (1) The chair decides. Normally no vote is taken.
- (2) Only made by a member who voted on the prevailing side and is subject to time limits.
- (3) Only the negative vote may be reconsidered.
- (4) Only the affirmative vote may be reconsidered.
- (5) Debatable when applied to a debatable motion.
- (6) Majority with notice, or 2/3 without notice or majority of entire membership.
- (7) Majority or tie vote sustains the chair.
- (8) None of these motions (except Reconsider) are in order when business is pending.

- (9) Rules of Order, 2/3 vote--Standing Rules, majority vote.
- (10) Must be proposed before debate has begun or a subsidiary motion is stated by the chair (applied to original main motions).
- (11) The Incidental Motions have no precedence (rank). They are in order when the need arises.
- (12) A Main Motion if made when no business is pending.
- (13) The maker of a motion may withdraw it without permission of the assembly before the motion is stated by the chair.

- (14) The chair can complete a Division of the Assembly (standing vote) without permission of the assembly and any member can demand it.
- (15) Upon a call by a single member, the Orders of the Day must be enforced.
- (16) Has full debate. May go into the merits of the question which is the subject of the proposed action.

"Fundamentals of Parliamentary Procedure" Workshop Presented by:  
Tannis F. Nelson, Professional  
Registered Parliamentarian



To Do This:	You Say This:	May you interrupt?	Do you need a 2 <sup>nd</sup> ?	Is it debatable?	Can it be amended?	What vote?	Can it be reconsidered?
Adjourn Meeting	"I move that we adjourn"	No	Yes	No	No	Majority	No
Call for an Intermission	"I move that we recess for..."	No	Yes	No	Yes	Majority	No
*Complain about heat, noise, etc.	"I rise to a question of privilege"	Yes	No	No	No	No vote	No(usually)
Suspend further consideration	"I move to table the motion"	No	Yes	No	No	Majority	No
End debate and amendments	"I move the previous question"	No	Yes	No	No	2/3	No <sup>1</sup>
Postpone discussion for a certain time	"I move to postpone the discussion until..."	No	Yes	Yes	Yes	Majority	Yes
Give closer study of something	"I move to refer the matter to committee"	No	Yes	Yes	Yes	Majority	Yes <sup>2</sup>
Amend a motion	"I move to amend the motion by..."	No	Yes	Yes <sup>3</sup>	Yes	Majority	Yes
Introduce business	"I move that..," or, "I move to.."	No	Yes	Yes	Yes	Majority	Yes

The motions listed above are in order of precedence...below there is no order...

*Protest breach of rules or conduct	"I rise to a point of order"	Yes	No	No	No	No vote <sup>4</sup>	No
Vote on a ruling of the chairman	"I appeal the chair's decision"	Yes	Yes	Yes	No	Majority <sup>5</sup>	Yes
Suspend rules temporarily	"I move to suspend the rules so that..."	No	Yes	No	No	2/3	No
Avoid considering an improper matter	"I object to consideration of this motion"	Yes	No	No	No	2/3 <sup>6</sup>	— <sup>7</sup>
Verify a voice vote by having members stand	"I call for a division" or "Division!"	Yes	No	No	No	No vote	No
*Request information	"Point of information"	Yes	No	No	No	No vote	No
Take up a matter previously tabled	"I move to take from the table"	No	Yes	No	No	Majority	No
Reconsider a hasty action	"I move to reconsider the vote on..."	Yes	Yes	— <sup>8</sup>	No	Majority	No

\*May go to head of line at microphone — do not need a motion

**NOTES**

- <sup>1</sup> Unless vote on question is not yet taken.
- <sup>2</sup> Unless the committee has already taken up the subject.
- <sup>3</sup> Only if the motion to be amended is debatable.
- <sup>4</sup> Except in doubtful cases, chair rules whether or not point of order is well taken or not well taken and gives rationale. A member may appeal the chair's ruling.
- <sup>5</sup> A majority vote in negative needed to reverse ruling of chair.
- <sup>6</sup> A 2/3 vote in negative needed to prevent consideration of main motion.
- <sup>7</sup> Only if the main question or motion was not, in fact, considered.
- <sup>8</sup> Only if motion to be reconsidered is debatable

**North Carolina Partnership for Children, Inc.  
Open Meetings Law and Public Records Law**

Open Meetings Law & Public Records Law – Board Approval January 14, 2000

The North Carolina Partnership for Children follows the Open Meetings Law and Public Records Law as stated in legislation.

Meetings of Public Bodies

[http://www.ncga.state.nc.us/enactedlegislation/statutes/html/byarticle/chapter\\_143/article\\_33c.html](http://www.ncga.state.nc.us/enactedlegislation/statutes/html/byarticle/chapter_143/article_33c.html)

Public Records Law

[http://www.ncleg.net/EnactedLegislation/Statutes/HTML/ByChapter/Chapter\\_132.html](http://www.ncleg.net/EnactedLegislation/Statutes/HTML/ByChapter/Chapter_132.html)

*\*\*Please note: if you are using an internet browser (Chrome, Firefox, Internet Explorer, etc.) to view this document use the back arrow to return after visiting links that appear throughout this document. If you are using Adobe Reader (RECOMMENDED) links will open in a new window.*



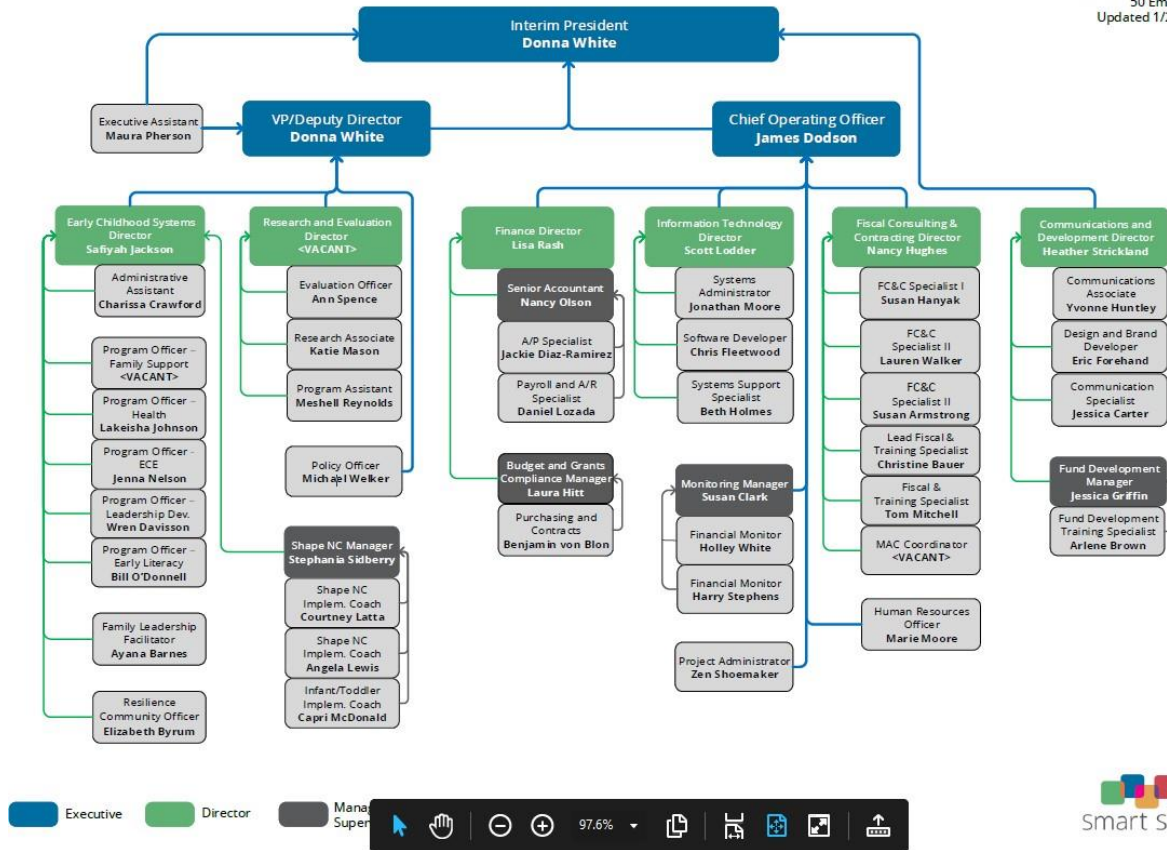
**The North Carolina Partnership for Children, Inc.**  
**Communication between Board and NCP staff**

NCP staff's governing board and staff work together to ensure its mission is fulfilled. In general, Board members are charged with setting policies and direction while staff is responsible for carrying out the work of the organization.

The board and staff will often be working collaboratively through committees and project-specific work. Communication between board and staff members should follow the following guidelines:

- NCP staff's President must be informed about meetings that take place outside the regular business of Standing Committees and Special Committees.
- Board members must respect the staff structure and relationships that employees have to supervisors.
- Board member can request information and reports but should not direct work by asking for information that is not already prepared or otherwise easy to retrieve.
- When in doubt, ask NCP staff's President to facilitate.

7/1/2019 through 6/30/2020  
50 Employees  
Updated 1/28/2020



## DIRECTORY BY AREA

### **EXECUTIVE OFFICES**

**Direct**

Amy Cabbage	President (as of 8/3)	984-221-0169
Donna White	Interim President	984-221-0173
James Dodson	Chief Operating Officer	984-221-1221
Maura Pherson	Executive Assistant	984-777-3294

### **EARLY CHILDHOOD SYSTEMS (ECS)**

**Direct**

Safiyah Jackson	ECS Director	984-221-0750
Jenna Nelson	Program Officer	984-221-0752
Elizabeth Byrum	Resilient Communities Officer	984-777-3361
Lakeisha Johnson	Program Officer	984-221-0761
Stephania Sidberry	Shape Manager	984-221-0803
Wren Davisson	Program Officer	984-300-0680
Courtney Latta-Sosebee	Shape NC Implement Coach	984-221-0822
Angela Lewis	Shape NC Implement Coach	984-221-0834
Bill O'Donnell	Program Officer	984-221-1170
Rachael Burrello	Program Officer	984-777-3319
Charissa Crawford	ECS Admin	984-221-1180

### **FINANCE DEPARTMENT**

**Direct**

Lisa Rash	Finance Director	984-221-0083
Ben Von Blon	Purchasing/Contracts	984-221-0096
Nancy Olson	Senior Accountant	984-221-0088
Jackie Diaz-Ramirez	Accounts Payable Specialist	984-221-0097
Daniel Lozada	Payroll	984-221-0110
Tom Mitchell	Finance Quality Assurance Mgr.	984-500-5483

### **FISCAL CONSULTING AND CONTRACTS**

**Direct**

Nancy Hughes	FC&C Director	984-221-1187
Christine Bauer	Lead Fiscal & Training Spec.	984-221-1191
Lauren Walker	FC&C Specialist	984-221-1646
Susan Armstrong	FC&C Specialist	984-777-3322
Susan Hanyak	FC&C Specialist	984-221-1224
Susan Clark	Monitoring Manager	984-221-0127
Harry Stephens	Financial Monitor	984-221-0153
Holley White	Financial Monitor	984-300-0679

### **LEARNING & EVALUATION**

**Direct**

Krista Kenney	Learning & Evaluation Dir.	984-777-3324
Ann Spence	Evaluation Officer	984-221-0466
Katie Mason	Research Associate	984-221-0461
Meshell Reynolds	Program Assistant	984-221-0437

### **BUDGET**

**OFFICE**

**Direct**

Laura Hitt	Budget & Compliance Officer	984-221-0161
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### **HUMAN RESOURCES**

**Direct**

Marie Moore	Human Resources Officer	984-221-0163
Zen Shoemaker	Project Administrator	984-221-0165

### **COMMUNICATIONS & DEVELOPMENT**

**Direct**

Vacant	Communications Director	TBD
Yvonne Huntley	Communications Associate	984-221-1242
Vacant	Fund Development Spec.	TBD
Jessica Griffin	Fund Development Manager	984-221-1620
Jessica Carter	Communications Specialist	984-221-1614
Eric Forehand	Design/Brand Identity Mgr.	984-500-5489

### **POLICY**

**Direct**

Michael Welker	Policy Officer	984-300-0678
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### **INFORMATION TECHNOLOGY**

**Direct**

Scott Lodder	IT Director	984-500-5481
Jonathan Moore	Systems Administrator	984-777-3321
Beth Holmes	App/Info Support Specialist	984-500-5485
Chris Fleetwood	Software Developer	984-221-0159

### Acronym Reference

<b>B-3</b>	Birth to Third Grade Interagency Council
<b>CCR&amp;R</b>	Child Care Resource & Referral
<b>CCDBG</b>	Child Care Development Block Grant
<b>CDSA</b>	Children’s Developmental Services Agency
<b>CNCS</b>	Corporation for National Community Service
<b>DCDEE</b>	Division of Child Development and Early Education
<b>DHHS</b>	Department of Health and Human Services
<b>DPH</b>	Division of Public Health
<b>DPI</b>	Department of Public Instruction
<b>DSP</b>	Direct Service Provider
<b>DSS</b>	Division of Social Services
<b>ECAC</b>	Early Childhood Advisory Council
<b>ECIDS</b>	Early Childhood Integrated Data System
<b>EC Profile</b>	Community Early Childhood Profile
<b>ED</b>	Executive Director
<b>FY</b>	Fiscal Year
<b>G.S.</b>	(North Carolina) General Statute
<b>LEA</b>	Local Education Agency
<b>LP</b>	Local Partnership
<b>LPAC</b>	Local Partnership Advisory Committee
<b>MAC</b>	Multi-Partnership Accounting & Contracting (Site)
<b>MOU</b>	Memorandum of Understanding
<b>NCaeyc</b>	NC Association for the Education of Young Children
<b>NC FAST</b>	NC Families Accessing Services through Technology
<b>NCPC</b>	The North Carolina Partnership for Children, Inc.
<b>NCPK</b>	North Carolina Pre-K (formerly More at Four)
<b>OSA</b>	Office of the State Auditor
<b>QRIS</b>	Quality Rating and Improvements System
<b>RFA</b>	Request for Applications
<b>RFP</b>	Request for Proposals
<b>SCHIP</b>	State Children’s Health Insurance Program



NORTH CAROLINA PARTNERSHIP FOR CHILDREN  
**Strategic Roadmap | 2019 - 2029**

Smart Start is a network of 75 local partnerships across North Carolina that provide expertise, guidance and infrastructure to ensure each child in the state receives the care and nurturing they need to thrive. Each local partnership is tailored to meet the specific needs of their community as they invest in early education, literacy, health and family support.

The North Carolina Partnership for Children (NCPC) guides and facilitates the Smart Start network, supporting the work of local partnerships and connecting them to the statewide early childhood system. NCPC develops policy for Smart Start programs and services and ensures accountability. This Strategic Roadmap sets the course for NCPC for the next ten years.

### MISSION

**Advance a high quality, comprehensive, accountable system of care and education for each child beginning with a healthy birth.**

### VISION

**Each child reaches his or her potential and is prepared for success in a global community.**

### NICHE

**The NC Partnership for Children leads the network of local partnerships to drive coordinated implementation of North Carolina's vision for Early Childhood.**

### ABOUT THIS ROADMAP

In 2016, NC Partnership for Children (NCPC) approved a Strategic Roadmap with two 10-year goals each with a set of three-year objectives. In 2019, the NCPC Board appointed a task force of staff, board members, and a representative from the Local Partnership Advisory Committee to update the Roadmap. With guidance from Third Space Studio, the Task Force examined trends with the potential to shape the future of NCPC and its network, interviewed leaders from state agencies and partners for their perspective on NCPC's strengths and challenges, and assessed progress on the goals and objectives outlined in the Roadmap. This work led the task force to revise the goals and objectives to better reflect the call for NCPC to claim a stronger leadership role in the state. The revised Roadmap also builds on recent work to strengthen the brand of Smart Start as well as recent explorations into ways to strengthen the network of local partnerships.

GOALS

Local Partnerships are powerful and impactful for young children, families, and professionals in their community

NCPC is a trusted and valued catalyst for action and alignment to ensure better outcomes for young children and their families

OBJECTIVES

1 Realign NCPC culture to foster innovation

1 Deepen policymaker and early childhood leaders' understanding of NCPC's role leading the Smart Start network

2 Strengthen early childhood system building across the network

2 Drive state change and alignment based on local community needs

3 Enhance network wide executive leadership capacity

4 Increase the resources available to Local Partnerships

5 Increase public awareness of Smart Start's role in communities

GOALS are endpoints to be achieved. They have a long horizon. TARGETS are the measures associated with the goals.

OBJECTIVES are the changes that need to occur if NCPC is to reach the goals. They have a shorter time frame. EARLY STAGE PRIORITIES are the ways that NCPC intends to make progress on the objectives.



NORTH CAROLINA PARTNERSHIP FOR CHILDREN Strategic Roadmap | 2019 - 2029

GOALS

**Local Partnerships are powerful and impactful for young children, families, and professionals in their community**

OBJECTIVES

**1** Realign NCPC culture to foster innovation

**2** Strengthen early childhood system building across the network

**3** Enhance network wide executive leadership capacity

**4** Increase the resources available to Local Partnerships

**5** Increase public awareness of Smart Start's role in communities

**2024 TARGETS**

1. 90% of Local Partnerships are delivering significantly improved outcomes (including closing racial disparities) for families, children, and professionals in their community
2. 90% of the Local Partnerships are sustainable organizations functioning as innovative system builders and program operators/funders
3. 100% of Local Partnerships and NCPC staff acknowledge their pride in being part of the Smart Start network
4. 80% of Local Partnerships acknowledge that NCPC has been supportive in their delivery of outcomes and their own sustainability

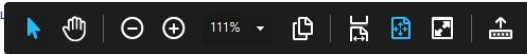
**EARLY STAGE PRIORITIES**

Use existing time and financial resources as well as improved technology to:

- Articulate and communicate the characteristics of a powerful and impactful and sustainable Local Partnership
- Review and realign NCPC's policies and procedures to support the desired partnership qualities and their diffusion across the network.
- Better coordinate the support and assistance provided to each Local Partnership through customer-centric relationship management. Balance the need for compliance with support for innovation.
- Build staff knowledge, skills, mindsets, and tools to serve Local Partnerships and connect the network. Fill vacant positions with people who have the experience in building networks and changing systems.
- Acknowledge and leverage the successes and strengths of Local Partnerships and the network to enhance visibility and attract resources across the network.
- Invest in leadership. Build and maintain a system to train and support executive leaders across the network.



NORTH CAROLINA PARTNERSHIP FOR CHILDREN  
Strategic Roadmap | 2019 - 2029





GOALS

**NCPC is a trusted and valued catalyst for action and alignment to ensure better outcomes for young children and their families**

OBJECTIVES

1

**Deepen policymaker and early childhood leaders' understanding of NCPC's role leading the Smart Start network**

2

**Drive state change and alignment based on local community needs**

**2024 TARGETS**

1. Early childhood focused state agencies, policymakers, statewide nonprofits, and philanthropy acknowledge the value of the Smart Start network to improving outcomes for young children and their families
2. The implementation of the Early Childhood Action Plan is influenced by the community understanding and expertise of Local Partnerships; and Local Partnerships trust NCPC to be their advocate in the implementation of the Early Childhood Action Plan

**EARLY STAGE PRIORITIES**

- Position the Smart Start network as the key implementation vehicle for the Early Childhood Action Plan
- Enhance our understanding of the data that we have and create data systems for ongoing data understanding and use
- Build the expectation, infrastructure, and relationships to support the exchange of knowledge across NCPC, the Smart Start network, and with state partners
- Build staff knowledge, skills, mindsets, and tools to connect and learn with the Local Partnership network and with state partners.



**The North Carolina Partnership for Children, Inc.**  
**Local Partnership Board Composition**  
**Adopted September 15, 2015**

Local partnership Boards must opt-in to one membership composition shown below, selecting and recruiting board members within the chosen structure.

<b>OPTION 1</b>	<b>OPTION 2</b>
<p><i>This option prescribes representatives from the community to represent government, services and business/community on a board.</i></p> <p>Each Local Partnership shall have at least 76% of these representatives on its board or a minimum of 16 from the 21 listed.</p>	<p><i>This option provides non-exhaustive suggestions for representation on a board within 3 categories: government, services and business/community.</i></p> <p>Minimum membership is 13 from the 3 categories.</p> <p>There must be at least 2 members from each category and no more than 50% from any category.</p>
<b>ALL REPRESENTATIVES</b>	<b>SUGGESTED REPRESENTATIVES</b>
<ol style="list-style-type: none"> <li>1. The County Commissioner, ex officio, or the Commissioner's designee</li> <li>2. The County Manager, ex officio, or the Manager's designee</li> <li>3. The Director of the Department of Social Services, ex officio, or the Director's designee</li> <li>4. A representative of a local organization offering community mental health</li> <li>5. The Director of the Local Public Health Agency, ex officio, or the Director's designee</li> <li>6. The Superintendent of Public Schools, ex officio, or the Superintendent's designee</li> <li>7. The President of the Community College or other higher education institution, ex officio, or the President's designee</li> <li>8. The Director of a Local Cooperative Extension Agency, ex officio, or the Director's designee</li> <li>9. The Director of a Local Public Library, ex officio, or the Director's designee</li> <li>10. A representative from the Municipal Government</li> <li>11. A child care provider from a licensed center-based child care facility</li> <li>12. A child care provider from a licensed family child care home facility</li> <li>13. A representative from the local Head Start Program</li> <li>14. A representative from a Child Care Resource and Referral Agency <u>or</u> a representative of another non-profit child care related organization. (If, however, it would be a conflict of interest for the CCR&amp;R representative to serve, then the Chairperson or another representative of the CCR&amp;R Advisory Committee may serve instead. In any case, the CCR&amp;R representative must not be a partnership employee.)</li> <li>15. Parent of a child 5 or younger (at time of appointment), including guardians who are primary care takers of a child 5 or younger</li> <li>16. Parent of a child 5 or younger (at time of appointment), including guardians who are primary care takers of a child 5 or younger</li> <li>17. A representative of the faith community (voluntary or paid role consistent with community norms/titles)</li> <li>18. A representative from the Interagency Coordinating Council or a parent of a child with a disability</li> <li>19. A representative from a foundation or other philanthropic organization</li> <li>20. Business Leader</li> <li>21. Business Leader</li> </ol>	<p>Government:</p> <ul style="list-style-type: none"> <li>✓ County Commissioner's office</li> <li>✓ County Manager's office</li> <li>✓ Department of Social Services</li> <li>✓ Local Health Agency or Health Services Provider (i.e.- community health, dentist, school nurses, physicians, etc.)</li> <li>✓ School Administrator (includes Charter )</li> <li>✓ Higher Education Institution (community or state colleges)</li> <li>✓ Local Cooperative Extension Agency</li> <li>✓ Local Public Library</li> <li>✓ Municipal Government</li> </ul> <p>Services:</p> <ul style="list-style-type: none"> <li>✓ Child Care Provider from a licensed center-based child care facility</li> <li>✓ Child Care Provider from a licensed family child care home facility</li> <li>✓ Representative from the local Head Start Program</li> <li>✓ A local organization offering community mental health services</li> <li>✓ Representative from the Child Care Resource and Referral Agency (this representative must not be a local partnership employee)</li> <li>✓ Representative from another Non-Profit Human Service Agency (e.g. Boys and Girls Club, 4H, YMCA)</li> </ul> <p>Business/Community:</p> <ul style="list-style-type: none"> <li>✓ Parent of a child 5 or younger (at time of appointment), including guardians who are primary care takers of a child 5 or younger</li> <li>✓ Faith community (voluntary or paid role consistent with community norms/titles)</li> <li>✓ Inter-Agency Coordinating Council or a parent of a child with a disability</li> <li>✓ Foundation or other philanthropic organization</li> <li>✓ Business Leader</li> <li>✓ Community at Large</li> </ul>



# Smart Start Accountability Plan

## Effective July 1, 2020

### BACKGROUND

Established by the North Carolina Legislature in 1993, the Smart Start network creates better outcomes for children and families across North Carolina. Created under legislation, The North Carolina Partnership for Children (NCPC) provides oversight, coordinates the statewide network and ensures the accountability of state funds appropriated to NCPC and local county partnerships. To meet this mandate, NCPC is required to develop and implement a comprehensive standard fiscal accountability plan (Accountability Plan). The legislation also requires NCPC to assure programmatic integrity for the programs and services in the Smart Start system. As a public-private partnership, NCPC also administers funding from other government and private funders. The Accountability Plan incorporates the requirements of these other funding sources as part of a comprehensive approach to accountability that ensures Smart Start holds itself to high standards as stewards of public and private funds to assure that each North Carolina child has opportunities to thrive.

### ACCOUNTABILITY PLAN PURPOSE

The Plan is designed to ensure full and complete accountability for all funds and programs administered by NCPC for maximum impact for young children and their families.

The Smart Start network exists to improve the outcomes for the children of North Carolina. To ensure improved outcomes, the partnership between NCPC and the local partnerships has mutual accountability as outlined in this Plan. See Appendix I, page 6 for a diagram of the Accountability Life Cycle.



*Appendix I – Accountability Life Cycle*

### GUIDING PRINCIPLES

In creating the Smart Start Accountability Plan, NCPC strives to meet the following guiding principles adopted by the NCPC Board of Directors:

1. Improvement and effectiveness - shall use data to assess the impact and make improvements to benefit young children, their families, and the systems serving them.
2. Equity – shall use data to understand differences among subgroups of children and inform targeted activities to address gaps.
3. Transparency and clarity – shall inform the public of the status of children in their communities, and clearly define the expected standards.
4. Inclusion and fairness – NCPC and local partnerships shall work together to develop the accountability process and NCPC shall use corrective interventions deliberately and consistently.



**The North Carolina Partnership for Children, Inc.  
Smart Start Accountability Plan (continued)  
Effective July 1, 2020**

**SMART START REQUIREMENTS**

NCPC and local partnerships shall comply with the Accountability Plan. This includes compliance with all laws, ordinances, codes, rules, regulations, and licensing requirements that are applicable to the business, including those of federal, state, and local agencies having jurisdiction and/or authority.

**PROGRAMMATIC INTEGRITY**

Smart Start was founded on the premise that North Carolina communities vary greatly in demographics, resources and assets, and require community-developed solutions. To guide the development of these solutions, the following requirements shall be met:

1. NCPC shall perform a funding needs calculation based on statewide indicators and data sources.<sup>1</sup>
2. NCPC shall allocate funding based on the needs calculation to local partnerships and provide ongoing oversight to ensure legislative and regulatory compliance for the purposes for which funding was appropriated, including reversion and carry forward funding.
3. NCPC and local partnerships shall engage in ongoing programmatic data collection to inform program management and quality improvement and to document results for the State Legislature.<sup>2</sup>
4. NCPC shall report to the General Assembly annually regarding services, previous fiscal year expenditures, number of children served, and outcomes.<sup>3</sup>
5. Smart Start funding shall only be used for evidence-based or evidence-informed (EB/EI) activities as defined by the NCPC Board of Directors (Board).<sup>4</sup> Activities that do not meet these requirements will not be allowed.
6. Strategic Planning:
  - a) NCPC shall develop and maintain a long-range strategic plan informed by statewide child outcomes data, and network and state partner input.
  - b) NCPC shall compile county level indicators related to Smart Start activities and establish performance standards for each indicator.
  - c) NCPC shall provide summary information on research-based early childhood programs and strategies to assist in planning for community impact.
  - d) Local partnerships shall engage community stakeholders to develop and maintain a long-range strategic plan for services to children and families in the service delivery area that address community assets and needs.<sup>5</sup>
  - e) Local partnerships shall practice data-driven decision making to address the assessed needs of children in the local community.<sup>6</sup>

**FINANCIAL AND CONTRACTUAL INTEGRITY**

Each year, NCPC allocates funding to local partnerships and provides ongoing oversight to ensure regulatory compliance for the funding. This includes compliance with all laws, ordinances, codes, rules, regulations, and licensing requirements that are applicable to the business, including those of federal, state, and local agencies having jurisdiction and/or authority. To ensure structures are in place to practice good governance and be financially accountable, the following requirements shall be met:

1. Develop and implement board-approved, written policies that address contracting and accounting best practices and adhere to Smart Start accounting and contracting policies and procedures,

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<sup>1</sup> **NCGS § 143B-168.12.(a)(6)**

<sup>2</sup> **NCGS § 143B-168.12.(9)(d) and NCGS § 143B-168.12.(7)**

<sup>3</sup> **NCGS § 143B-168.12.(d)**

<sup>4</sup> **NC Session Law 2017-57 Section 11B.8.(a)**

<sup>5</sup> **NCGS § 143B-168.14.(a)(1)**

<sup>6</sup> **NCGS § 143B-168.15.(a)**

**The North Carolina Partnership for Children, Inc.**  
**Smart Start Accountability Plan (continued)**  
**Effective July 1, 2020**

including procedures for contractual provisions to sub-grantees, and both financial and programmatic subcontractor monitoring.

2. Adhere to the Smart Start Cost Principles.
3. Adhere to the North Carolina's Office of State Budget Management (OSBM) regulation and guidance, where applicable.
4. Adhere to the Federal Uniform Code 2CFR requirements, if receiving federal grant funds.
5. Demonstrate that the organization has met the following requirements:
  - a) Outsourcing of payroll processing function.
  - b) Using the uniform chart of accounts established by NCPC.
  - c) Certified that there are no overdue tax debts.<sup>7</sup>
  - d) Comply with legislatively mandated competitive bidding requirements for goods and services.<sup>8</sup>
  - e) Provide and maintain insurance per contract Terms and Conditions including fidelity bonding.
  - f) Have established, board-approved bylaws.
  - g) NCPC and local partnerships shall provide and maintain an accurate profile of organization information and notify their Smart Start funder, DCDEE or NCPC respectively, of changes.
  - h) NCPC and local partnerships shall maintain access controls and security, passwords, access rights, and data and document retention, per contract Terms and Conditions. NCPC and local partnerships shall notify their Smart Start funder, DCDEE or NCPC respectively, of changes that impact access and security to required data systems.
6. Develop and implement a board-approved, written policy that addresses monitoring of compliance with the following legislative mandates:
  - a) Not less than seventy percent (70%) of the funds spent in each year of the direct services allocation shall be used for child care-related activities and early childhood education programs.<sup>9</sup> State funds allocated to local partnerships will not supplant other governmental expenditures on behalf of young children and families.<sup>10</sup> Activities that utilize Smart Start funds to supplant other funding, will not be allowed.
  - b) Not less than thirty percent (30%) of the funds spent in each year of the direct services allocation shall be used for child care subsidies.<sup>11</sup> If the subsidy requirement is not met, the local partnership will receive a reduction in the following fiscal year's allocation by the amount of the subsidy shortfall or \$10,000, whichever is greater. **Reference to NCPC Subsidy Policy.**
  - c) Meet annual program match requirements.<sup>12</sup> If the match requirement is not met, the local partnership will be required to submit a plan to NCPC; participate in technical assistance; and/or be ineligible for additional allocation of state funds requiring match – depending upon the gap percentage. **Reference to NCPC Match Policy.**
  - d) Meet the Temporary Assistance for Needy Families and the Child Care Development Fund and Block Grant (TANF/CCDF) child care subsidy match requirement.<sup>13</sup>
7. Local partnerships shall participate in NCPC's statewide financial and contracts management system and collaborate, to the extent possible, with other local partnerships to increase efficiency and effectiveness.<sup>14</sup>

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<sup>7</sup> NCGS § 105-243.1

<sup>8</sup> NC Session Law 2017-57 Section 11B.8.(e)

<sup>9</sup> NCGS § 143B-168.15(b)

<sup>10</sup> NCGS § 143B-168.15(e)

<sup>11</sup> NCGS § 143B-168.15(g)

<sup>12</sup> NC Session Law 2017-57 Section 11B.8.(d)

<sup>13</sup> NCGS § 143B-168.15(g)

<sup>14</sup> NC Session Law 2017-57 Section 11B.8.(b)

**The North Carolina Partnership for Children, Inc.  
Smart Start Accountability Plan (continued)  
Effective July 1, 2020**

- 8.** NCPC shall meet reporting requirements to be included in the State of North Carolina's Comprehensive Annual Financial Report (CAFR).
- 9.** Audits:
  - a) NCPC shall be subject to an annual state audit.<sup>15</sup> Failure to comply with a financial and compliance audit will result in a suspension of funding.
  - b) Local partnerships shall be subject to an annual or bi-annual financial and compliance audit contracted by NCPC.<sup>16</sup> Failure to comply with a financial and compliance audit will result in a suspension of funding. **Reference NCPC Audit Penalty.**
- 10.** Monitoring:
  - a) NCPC shall be subject to an annual Division of Child Development and Early Education (DCDEE) monitoring. Based upon the monitoring findings, DCDEE may assign consequences such as requiring technical assistance, repayment of funds, or development of a Performance Improvement Plan.
  - b) NCPC shall develop and implement a board-approved, written policy that addresses monitoring of compliance with network-wide legislative mandates.
  - c) Local partnerships shall be subject to a NCPC annual or bi-annual financial and programmatic monitoring. Based upon the monitoring findings, NCPC may assign consequences such as requiring technical assistance, repayment of funds, or development of a Performance Improvement Plan.
- 11.** Reporting requirements:
  - a) NCPC shall adhere to reporting deadlines established by NC DHHS and DCDEE.
  - b) Local partnerships shall adhere to deadlines established by NCPC to ensure the timely disbursement of funds. **Reference to LP Timeline of Reporting.**
- 12.** The salary schedule developed and implemented by NCPC shall set the maximum amount of state funds that may be used for the salary of the executive directors of NCPC and local partnerships.<sup>17</sup> **Reference to LP Executive Director's Salary Schedule.**

**ORGANIZATIONAL AND COMMUNITY LEADERSHIP INTEGRITY**

Smart Start shall adopt policies and procedures for operation including, but not limited to the following:

1. Board Composition:
  - a) NCPC's board membership shall comply with legislative requirements.
  - b) Local partnerships shall select board members in accordance with the most current board composition requirements developed by the NCPC Board of Directors. **Reference to LP Board Composition.**
2. Achieve quorum at all board meetings when board action is needed and ensure board members avoid conflicts of interest and the appearance of impropriety.<sup>18</sup>
3. Adhere to the North Carolina Open Meetings Law and Public Records Law.<sup>19</sup>
4. Ensure that no Smart Start monies will be used to carry on propaganda or otherwise to attempt to influence legislation, to influence the outcome of any public election, or to carry on directly or indirectly any voter registration drive. **Reference federal regulation.**
5. Local partnerships shall adhere to qualification guidelines developed by NCPC when hiring an executive director with verification and documentation approved by NCPC, prior to hiring. Local

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<sup>15</sup> NCGS § 143B-168.12.(a)(9)(b)

<sup>16</sup> NCGS § 143B-168.14(b) and § 143B-168.12(a)(9)(b)

<sup>17</sup> NC Session Law 2017-57 Section 11B.8.(c)

<sup>18</sup> NCGS § 143B-168.12.(1)

<sup>19</sup> NCGS § 143B-168.14.(a)(2)

**The North Carolina Partnership for Children, Inc.**  
**Smart Start Accountability Plan (continued)**  
**Effective July 1, 2020**

partnerships shall also adhere to qualification guidelines developed by NCPC for a MAC Accountant. ***Reference to Executive Director and MAC Accountant Qualifications.***

6. If it is necessary to hire a new local partnership executive director or NCPC president, the board must have a plan in place for hiring within six months in accordance with the minimum education and experience requirements.
7. NCPC will provide Smart Start on-boarding resources and continuing professional development through e-Learning, in person training, or targeted technical assistance to key staff at local partnerships. Appendix II Accountability Plan Framework diagram on page 7.
8. The NCPC Board of Directors shall evaluate the performance of their respective executive director or NCPC president annually.
9. NCPC will confer with the Local Partnership Advisory Committee (LPAC) when developing or revising policies that impact local partnerships.
10. The NCPC Board's Accountability and Finance and Audit Committees will review and recommend to NCPC Board annual approval of the Accountability Plan.

**Appendix I – Accountability Life Cycle**





## Appendix II – NCPC Levels of Support and Technical Assistance

The diagram above is intended to illustrate the nature of different forms and intensity of NCPC’s training, technical assistance and monitoring to support stewardship of public and private Smart Start funds for community and statewide impact.

Some activities are provided for the entire network, some for a more targeted group of local partnerships, and the most intensive assistance for a small number of Smart Start organizations.



## Smart Start Accountability Plan Framework

## NCPC BOARD OF DIRECTORS MEETING: September 17, 2019

### ACTION ITEM from FINANCE & AUDIT COMMITTEE: Revised Allocation Methodology for FY 2020

#### **BACKGROUND:**

The North Carolina General Assembly has not yet released its Fiscal Year (FY) 2020 budget. The North Carolina Partnership for Children, Inc. (NCPC) expects the Smart Start base appropriation for FY 2020 to be \$147 million recurring. At this time, it is undetermined whether the General Assembly will approve any increase to the Smart Start appropriation. Potential increases range from \$2M non-recurring, \$2M recurring, or \$5M recurring.

#### **ISSUES:**

The Finance & Audit Committee originally recommended an allocation methodology on June 6, 2019. Due to increases in local partnership audit costs and the existing legislative environment, the Finance & Audit Committee needs to revise the Allocation Methodology for FY 2020.

#### **ALLOCATION METHODOLOGY FOR FY 2020**

1. **HOLD HARMLESS:** The following methodology is recommended:
  - a. NCPC shall not reduce the allocation for the counties with less than 35,000 in population below the FY 2012-2013 funding level as required in S.L. 2017-57 § 143B-168.12.(a)(6). This helps meet the goals of stability and minimum disruption.
  - b. This calculation is applied to counties not partnerships, so that multi-county partnerships may have some of their counties held harmless and some that do not qualify.
  - c. As it has always been, it will be the responsibility of the boards of the multi-county partnerships to determine which programs will be funded within the individual counties that make up their multi-county partnership.
2. **SMART START BASE APPROPRIATION:** The Smart Start base appropriation for FY 2020 is recurring at \$147 million. MAC reductions are included in the allocation methodology to date, however, if new funding is appropriated from the General Assembly, the MAC reduction will be reduced from the new funding first. **Attachment G-1** contains a summary of NCPC's budget. **Attachment G-2** contains the local partnership allocations for FY 2020, including MAC reductions to go into effect if no new funding is appropriated for Smart Start.

The Allocation Methodology workgroup met on July 9, 2019, August 2, 2019, and August 16, 2019 and recommended the following allocation methodologies for FY 2020 based on relevant legislative scenarios to date. Of course, the scenarios below will only be possible if new funding is appropriated.

- **Recommendation for Special Project with \$2M Non-Recurring:** The recommendation would be to invest in the action planning locally to assess the family access and engagement needs and develop an action plan, given that connection to resources presents itself as a need in almost every community in NC and investment into a statewide online platform, like NCCARE 360.

- Recommendation for Special Project with \$2M Recurring: If \$2M recurring is appropriated, the recommendation is NCPC would allocate the funds as described in the \$2M non-recurring scenario for biennium 2019-2021. This would provide additional time for the needs formula project to progress with possible recommendations that could impact the allocation process for the FY 2021-2023 biennium.
  - Recommendations for Allocation of Recurring Funds Exceeding \$5M: If the appropriation is greater than \$5M recurring NCPC would use the following methodology to guide the distribution of funds to all counties and review funding equity within the Smart Start network and identify additional State-level funding needs to ensure the continuing support and oversight of the Smart Start initiative using the following methodology:
    - 50% of available funds would be applied by the standard allocation methodology distribution using a % of total availability by county. **Effectively, all counties will receive some % of the 1<sup>st</sup> half of the available funds.**
    - 50% of available funds would be used towards increases for counties that have been funded at a lower % of need, in effect, beginning to reverse the disparities in county allocation spreads. Currently, the % of allocation funded as a % of need ranges from 10.6% to 52.9%. **Effectively, no county would see an allocation reduction from its FY 2019-20 base allocation, but some local partnerships will not see an increase with the 2<sup>nd</sup> half of the available funds.**
    - NCPC will identify additional State-level funding needs to ensure the continuing support and management of the Smart Start Initiative.
3. **SET-ASIDES**: Staff recommends the following expenditures be taken off the top of the total appropriation and recommend the use of a portion of the carry forward funds. This will help achieve the first three primary allocation goals listed above.
- a. Funding for local partnership audits – \$345,575 to fulfill local partnership audit requirements for FY 2019-2020.
  - b. Funding for MAC Grants – \$1,260,000.
  - c. Funding for local partnership supports – \$52,445.
  - d. Funding for the final year of a 3-year Reach Out and Read Grant - \$159,000 from FY 2020 carry forward funds.
  - e. Multi-County add-on for administration allocation will remain at \$14,192 per county.
4. **USE OF CARRY-FORWARD FUNDS**: Per legislation, state funds that are allocated to local partnerships that are unexpended at the end of the fiscal year shall remain available to NCPC to reallocate to local partnerships. The exact amount of reversion funds from FY 2018-2019 is not finalized at this time. NCPC has an obligation to complete its final year of a 3-year grant for Reach Out and Read and will reduce the carry-forward total by \$159,000. The remaining carry-forward will be returned to the local partnerships that reverted funds in FY 2018-2019.

**RECOMMENDATION**

The Finance & Audit Committee recommends the changes to the Allocation Methodology for FY 2020, and recommends NCPC management has the authorization to use the allocation recommendations to distribute funding to local partnerships as soon as possible once a State budget is certified.

- a.
  - b. Funding for the unified accounting system – \$1,577,572.
  - c. Funding for capacity building of all local partnerships – \$143,775.
  - d. Multi-County add-on for administration allocation will remain at \$14,192 per county.
5. Smart Start Base Appropriation: The Smart Start base appropriation for FY 2017-2018 is unchanged from FY 2016-2017 of approximately \$147 million. Staff recommends that the base allocation for FY 2017-2018 be the same as that for FY 2016-2017. This will support our goals of stability and minimize disruption.
  6. Carry-forward Funds: Per legislation, state funds that are allocated to local partnerships that are unexpended at the end of the fiscal year shall remain available to NCPC to reallocate to local partnerships. The exact amount of reversion funds from FY 2016-2017 is not finalized at this time. Staff will recommend applications and an allocation methodology of FY 2017-2018 carry forward funds when the amount is finalized. *Priority will be given to meeting the TANF/CCDF subsidy requirement and the continuation of the Reach Out and Read literacy grant.*
  7. Dolly Parton’s Imagination Library: NCPC will recommend a separate grant or allocation methodology once the legislation is finalized. *The additional appropriation for DPIL is considered a separate appropriation and is subject to unique legislative requirements, therefore, is not considered part of the base appropriation for Smart Start.*

#### **FINANCE & AUDIT COMMITTEE RECOMENDATION**

At its June 7, 2017 meeting, the Finance & Audit Committee recommended the following: Since there is no change in the Smart Start base appropriation and with an anticipated appropriation for a separate literacy initiative:

1. approve NCPC’s recommendation to keep the FY 2017-2018 local partnership base allocation the same as in FY 2016-2017, and
2. address the allocation for carry forward funds and any additional appropriation when finalized, and
3. recommend this proposal to the NCPC Board meeting on June 20, 2017.

**Attachment 3** is a summary of the staff recommended FY 2017-2018 Smart Start appropriation allocation methodology.

**THE NORTH CAROLINA PARTNERSHIP FOR CHILDREN From the  
PLANNING AND OVERSIGHT COMMITTEE  
Approved by the NCPC Board on May 10, 2002**

**Penalty for Failure to meet Subsidy Mandate\***

**Background:**

General Statute 143B-168.15(g) states: Not less than thirty percent (30%) of the funds spent in each year of each local partnership's direct services allocation shall be used to expand child care subsidies. To the extent practicable, these funds shall be used to enhance the affordability availability, and quality of child care services as described in this section.

Even though statewide the 30% has always been exceeded, the legislation requires that EACH partnership spend 30% on subsidy. In 2000-01, two (2) partnerships did not meet the mandate and 17 did not meet it in 1999-00.

**Issue:**

There currently exists no policy that defines any consequences of not meeting the mandate. Failure of even just one partnership to meet the mandate results in an audit exception for NCPC since it is responsible for oversight and ensuring compliance with all mandates. It also results in an audit exception for the affected partnership.

**Recommended**

**Policy:** Failure of a local partnership to meet the 30% subsidy mandate (G.S. 143B-168.16(g)) in a fiscal year will result in a reduction in the following year's allocation in the amount of the shortage or \$10,000, **whichever is greater**. This policy will be applied June 30, 2002 for the FY 2001-2002 and each year thereafter.

\*Policy needs to be updated to include \$59 million Subsidy Requirement.

**The North Carolina Partnership for Children, Inc.**  
**Local Partnership Smart Start Program Match Policy**

The North Carolina Partnership for Children (NCPC) and local partnerships are responsible for meeting the Smart Start legislative annual program match requirement based on a percentage of its state appropriation.

To meet this legislative match, local Smart Start partnerships are required to report and document a minimum percentage of their total Smart Start availability (administrative and service funding) for the fiscal year in cash and in-kind contributions equal to the statewide aggregate total program match percentage required by legislation. In-kind contributions must actually be received and cash contributions must actually be deposited by June 30 of the respective fiscal year. All contributions must be reported to NCPC as required by communicated due dates.

NCPC will monitor contributions reported by local partnerships to assure compliance with this policy. Documentation of contributions must meet the guidelines put forth by the Office of the State Auditor and NCPC to assure they can be appropriately “counted” towards the legislative program match requirement.

A local partnership that does not meet the program match requirement for a given fiscal year:

- Is not eligible the following fiscal year for additional one-time, nonrecurring State Smart Start funds with a match provision\*, and
- Is required to participate in a technical assistance plan with NCPC.

\*This penalty is not applicable to Smart Start base allocation increases.

NCPC reserves the right to consider a partnership’s compliance with legislative mandates, technical assistance participation, timely required programmatic and financial data submission, and other variables when determining grant awards.

The following will be used to determine the level of required technical assistance:

	Level I	Level II
Criteria	If Program Match deficit is less than 5% of amount required.	If Program Match deficit is equal to or greater than 5% of amount required: OR  Two (2) consecutive years of Program Match deficit (in any amount).
	Level 1	Level II
Written Plan	Partnership will develop a strategic fund development plan which must: <ol style="list-style-type: none"> <li>1. be submitted to NCPC for review and feedback by a specified due date, AND</li> <li>2. include, at a minimum:               <ol style="list-style-type: none"> <li>a. a timeline that includes existing and potential sources of fund development, AND</li> <li>b. a projected fund development target for the fiscal year.</li> </ol> </li> <li>3. be signed by Executive Director and Board Chair.</li> </ol>	Partnership will develop a strategic fund development plan which must: <ol style="list-style-type: none"> <li>1. be submitted to NCPC for review and feedback by a specified due date, AND</li> <li>2. include, at a minimum:               <ol style="list-style-type: none"> <li>a. a timeline that includes existing and potential sources of fund development, AND</li> <li>b. a projected fund development target for the fiscal year.</li> </ol> </li> <li>3. be signed by Executive Director and Board Chair.</li> </ol>
Local Partnership Board Involvement	<i>Strongly Recommended</i>	Partnership must establish a fund development board committee and notify NCPC of committee membership.
NCPC Fund Development Training and Support	<i>Recommended, but not required.</i>	Required  <i>May include, but not limited to:</i> <ul style="list-style-type: none"> <li>○ <i>Participation in network-wide fundraising collaboratives.</i></li> <li>○ <i>Review of fund development best practice materials.</i></li> </ul>

**APPROVED BY THE NCPC BOARD ON: June 20, 2017**

**ACTION ITEM from FINANCE & AUDIT COMMITTEE:**

- **Unallowable and Questioned Costs Penalty Policy**
- **Program Match Policy**

**BACKGROUND:**

Over the years, the Board has established policies that result in financial penalties to local partnerships. The policies include the following:

- *Audit Penalty Policy* to address the issues of numerous or continuing audit findings;
- *Unallowable and Questioned Costs Penalty Policy* to address the issue of “questioned” or “unallowable” costs identified by the auditor;
- *Subsidy Mandate Policy* to address the issue of a local partnership’s failure to meet the 30% legislative subsidy spending mandate; and
- *Program Match Policy* to address the issue of a local partnership’s failure to meet the 10% program match requirement.

As of January 2017, NCPC has been facilitating an internal NCPC workgroup charged with reviewing local partnership penalty policies with the goal of presenting recommended changes to the Finance & Audit Committee.

**ISSUE:**

**Unallowable and Questioned Costs**

At its April 18, 2017 meeting, the Finance & Audit Committee recommended eliminating the Unallowable and Questioned Costs penalty. This penalty was created effective for FY02 and thereafter, because several local partnerships had audit reports identifying unallowable and/or questioned costs. Under this penalty, local partnerships had their allocations reduced and were not allowed to apply for reallocation funds. This penalty is unnecessary and has not been triggered in many years because local partnerships with unallowable costs (either discovered through audit or NCPC monitoring) are already required to repay the funds to the State. The Unallowable and Questioned Costs Penalty is essentially a second financial penalty on top of the repayment of funds, and therefore duplicative and overly punitive.

**Program Match Policy**

The intent and operation of this penalty has not been reconsidered since the requirement has increased from 10% to 13% in FY 2012-2013. The match requirement has nearly doubled over a 5-year period, to 19% during FY 2016-2017. With the increased match percentage, more and more local partnerships are unable to meet the requirement. For FY 2015-2016, 12 local partnerships failed to meet the 17%



program match requirement. **Attachment 2** reflects the revised policy based on the NCPC workgroups recommendations. Changes are denoted in red.

The current policy includes a component that local partnerships are not eligible for one-time Smart Start funds that become available (such as carry-forward) if they have a program match deficit. This portion of the policy therefore helps prevent the shortfall from getting worse in most cases. Since additional Smart Start funding would require additional program match, the additional funds would only increase the match burden on partnerships already struggling with match.

The current policy also includes a component which could be viewed as counter-productive in that it prohibits local partnerships that have not met the match requirement from being eligible to receive private sector grants (such as Shape NC grants) which would assist partnerships in meeting their match requirement. Therefore, this portion of the policy should be eliminated.

Due to increasing legislative program match requirements, a technical assistance component is recommended as a requirement for those local partnerships who fail to meet the match in an effort to help build their fund development capacity. Local partnerships who have repeated deficits will continue to receive technical assistance and be ineligible for one-time Smart Start availability. The policy was clarified to state it has no impact on the Smart Start base increases to allocations due to increased funding from the legislature.

**RECOMMENDATION:**

The Committee recommends eliminating the Unallowable and Questioned Costs Penalty.

The Finance & Audit Committee recommends the language restricting additional private sector grants if match is not met be removed since additional private sector grants would assist a partnership in meeting their Smart Start Program Match requirement. In addition, the Committee recommends the policy be revised to include a tiered technical assistance component to strengthen and build local capacity for fund development. An Amendment was made to the motion to ***change the language to read "is not eligible the following fiscal year for additional one-time, nonrecurring State Smart Start funds with a match provision required."***

**THE NORTH CAROLINA PARTNERSHIP FOR CHILDREN, INC.**  
**LOCAL PARTNERSHIP PERFORMANCE IMPROVEMENT PLAN**  
**Approved by NCPC Board of Directors September 12, 2002 Revised June 12,**  
**2003\***

**I. PURPOSE AND OBJECTIVES OF PLAN**

A small number of local partnerships (LPs) have demonstrated significant financial and/or compliance deficiencies as reflected in recent audit reports. Historically, many of the LPs with these types of deficiencies also exhibit the need for programmatic improvement as well. These issues at a small number of local partnerships, while not representing all local partnerships, have the effect of placing the entire Smart Start program at risk. The Local Partnership Performance Improvement Plan (the "Plan") has been developed to improve the financial and programmatic accountability of selected LPs.

The Plan identifies strategies that The North Carolina Partnership for Children, Inc. (NCPC) will immediately implement to improve the performance of LPs that are identified to have serious financial and compliance issues. Local partnerships that meet the identified criterion will be targeted for the Plan. This approach will enable us to concentrate our efforts in order to maximize results.

The following elements of the Plan will be customized for each LP based upon its needs:

- Intensive financial and programmatic monitoring visits and follow-up to determine whether deficiencies identified in audits and monitoring visits have been corrected;
  - Intensive on-site programmatic and financial technical assistance and training in identified areas;
- and
- Board development and education.

**Local partnerships will be required to participate in the Plan until, in the opinion of NCPC, all financial and programmatic issues being addressed in the Plan have been resolved.**

**Local partnerships that fail to correct financial, compliance and programmatic deficiencies in a timely manner will face serious consequences.**

**II. LEGISLATIVE AUTHORITY**

To improve the overall financial and programmatic integrity of the Smart Start program, NCPC must take decisive action to address the performance of LPs that exhibit serious financial and programmatic issues.

North Carolina General Statute § 143B-168-12(a)(3) provides NCPC the following authority:

“In the event that the North Carolina Partnership determines that a local partnership is not fulfilling its mandate to provide programs and services designed to meet the developmental needs of children in order to prepare them to begin school healthy and ready to succeed and is not being accountable for the programmatic and fiscal integrity of its programs and services, the North Carolina Partnership may suspend

all funds to the partnership until the partnership demonstrates that these defects are corrected. Further, at its discretion, the North Carolina Partnership may assume the managerial responsibilities for the partnership's programs and services until the North Carolina Partnership determines that it is appropriate to return the programs and services to the local partnership.”

### **III. COMPONENTS OF PLAN**

#### **A. SELECTION OF LOCAL PARTNERSHIPS**

Local partnerships will be selected to participate in the Plan based on financial and compliance deficiencies. A strong indicator of serious financial deficiencies at a local partnership is the results of the annual financial and compliance audit performed by the Office of the State Auditor.

Local partnerships will be identified using the criterion specified below:

All local partnerships with three or more audit findings, within a fiscal year, related to the administration of Smart Start Funds will be required to participate in the Local Partnership Performance Improvement Plan. Any audit findings related to non-Smart Start funds may be deemed serious enough by the NCPC Finance Committee to warrant being counted toward inclusion in the Performance Improvement Plan. The Finance Committee will submit its evaluations of the findings to the NCPC Board for resolution.

After approval of the Plan by the NCPC Board of Directors, letters will be sent to the Executive Director and Executive Committee of the LP board notifying them of the Plan and that their LP will be required to participate in the Plan.

#### **B. PROGRAMMATIC AND FINANCIAL MONITORING VISITS**

Selected LPs will receive on-site programmatic and financial monitoring during the course of their participation in the Plan.

Depending upon the needs of the LP, potential areas for monitoring are:

##### Financial

- Findings identified in the most current annual audit report
- Review of in-house contracts and grants
- Review of financial monitoring of service providers
- Compliance with competitive bidding policies
- Review of Financial Status Reports (FSR) of LPs and service providers
- Internal control environment

##### Programmatic:

- Compliance with NCPC programmatic policies

- Review of programmatic monitoring of service providers
- Review of in-house and service provider activities

A report of the results of the monitoring visit will be provided to the LP Board within thirty (30) days of the completion of the visit.

The LP must establish or designate a board committee to develop an action plan and timeline to address the findings and issues identified in the monitoring and/or audit reports. The action plan is due within 30 days of receipt of the action plan template from NCPC. Both the LP board and NCPC must approve the action plan.

This committee is responsible for oversight and implementation of the action plan. All tasks identified in the action plan must be completed within the time frame specified. NCPC will assist in developing the action plan as needed.

The committee will be required to provide periodic reports to NCPC addressing progress toward meeting the action plan. NCPC personnel will attend partnership board meetings as necessary until it has been determined that financial and programmatic deficiencies have been addressed and/or resolved.

### **C. TECHNICAL ASSISTANCE AND TRAINING FOR LOCAL BOARD AND STAFF**

A Technical Assistance Team, of NCPC representatives, will provide on-site technical assistance as needed to assist the LP in implementing its action plan referred to in Section B above. In addition, required training will be provided for the LP staff and board.

Potential training topics for the LP boards are:

- Legislation and Mandates
- Performance Based Incentive System Standards
- Roles and Responsibilities of Board and Staff
- Fiduciary and Programmatic Responsibilities of Boards

In addition, the NCPC Executive Director will attend at least one board meeting at each of the selected LPs to discuss the Performance Improvement Plan.

### **D. MONITORING FOLLOW-UP AND EVALUATION**

Upon completion of the action plan, each LP will receive a follow-up monitoring visit(s) to determine if identified financial and programmatic issues have been addressed and/or resolved.

The follow-up monitoring report and/or the subsequent audit report will be closely reviewed by NCPC to determine if the required improvements have been achieved.

Local partnerships that have achieved the required improvement will receive letters releasing them from participation in the Plan.

Local partnerships that HAVE NOT achieved the required improvements will face serious consequences that may include, but are not limited to, one or more of the following actions:

- Suspension of funds;
- Reduced level of funding;
- Requirement that the LP contract with a neighboring LP to administer and provide services;
- Identification of necessary staff and/or Board leadership changes as a condition of receiving continued funding; and
- Other actions as deemed appropriate.

Upon approval by the NCPC Board of Directors of any consequences to be applied to the LP, NCPC will develop an action plan for implementation. Emphasis will be placed on immediate implementation consistent with ensuring that disruption of services to children is minimized as much as possible.

#### **E. ON-GOING IMPLEMENTATION OF PLAN\_**

The Plan will continue indefinitely and will be revised by the NCPC Board of Directors as necessary.

**\*To be updated.**

IIIC6 placeholder: Maintaining relationships with LPs

**APPROVE BY THE NCPC BOARD OF DIRECTORS ON: September 13, 2016**

**ACTION ITEM from the FINANCE COMMITTEE: Approve NCPC's 2016-2017 Budget**

**BACKGROUND:**

The North Carolina Partnership for Children, Inc. (NCPC) budget for the new fiscal year (2016-2017) is presented to the Finance Committee for approval. Actuals as compared to the budget for the previous year are also presented at this time.

**ISSUE:**

As in prior years, the approval request includes allowing NCPC to make budget changes among line items throughout the year as circumstances arise since: (1) the State Smart Start appropriation and the Race-to-the-Top (RTT) Early Learning Challenge grant is fixed and cannot be exceeded; and (2) there are time constraints when amending budgets with the Division of Child Development and Early Education.

Attachment 1 provides a comparison of the 2015-2016 budget to actual expenses and Attachment 2 contains the proposed 2016-2017 budget.

**RECOMMENDATION:**

The Finance Committee recommends the NCPC Board approve NCPC's budget for 2016-2017 as presented with authorization for NCPC management to make changes among line items during the year as necessary, including adjustments to the total budget if additional cuts occur or as additional funds are received.

IVB Placeholder



## Community Early Childhood Profile Indicators

Visit the “Community Indicators” tab on fabrik for more information:

<https://fabrik.smartstartinc.net/index.php/2013-05-24-16-39-35>

*\*\*Please note: if you are using an internet browser (Chrome, Firefox, Internet Explorer, etc.) to view this document use the back arrow to return after visiting links that appear throughout this document. If you are using Adobe Reader (RECOMMENDED) links will open in a new window.*

Community Early Childhood Profile -- North Carolina

*Smart Start's Measures of Impact*

Results for Fiscal Year 2018-2019



The Community Early Childhood Profile (EC Profile) provides an annual snapshot of the status of our young children. It includes indicators of child well-being for which local Smart Start Partnerships are held accountable.



The EC Profile assesses progress towards realizing Smart Start's mission of advancing a high quality, comprehensive, accountable early childhood system that benefits each child in North Carolina beginning with a healthy birth.



The report uses validated data from state agencies that directly impact young children such as the NC Department of Health and Human Services, the NC Department of Public Instruction, and the NC Office of State Budget and Management.

FY 2018-2019 EC Profile DRAFT Results for North Carolina

Indicator	Description	Standards	FY 2017-18		FY 2018-19	
<b>Early Care and Education -- Quality</b>						
PLA40a	Average Star Rating for Children in 1-5 Star Care	Minimum: 4.0 AND 60% High Performing: 4.0 AND 60% for each age group (age data available on LP Central)	4.33	High Performing	4.31	High Performing
PLA40b	Of those in care, percent of Children in 4 and 5 star facilities		72%		72%	
PLA50a	Average Star Rating for Subsidized Children in 1-5 Star Care	Minimum: 4.25 AND 80% High Performing: Minimum plus 4.25 AND 70% for each age group (age data available on LP Central)	4.47	Meets Minimum	4.51	Meets Minimum
PLA50b	Percent of Subsidized Children in 4 and 5 star care		89%		89%	
<b>Early Care and Education -- Workforce</b>						
EDU10	Percent of Children Enrolled in 1-5 Star Centers That Have At Least 75% of Lead Teachers with College Degrees (i.e. 7 Lead Teacher Education Points)	Minimum Standard: >=50% of children are enrolled in 1-5 star rated child care centers that have at least 7 lead teacher education points High Performing Standard: >=50% of children are enrolled in 1-5 star rated child care centers that have at least 7 lead teacher education points for each age group (age data available on LP Central)	52%	Meets Minimum	53%	Meets Minimum

FY 2018-2019 EC Profile DRAFT Results for North Carolina ( cont. )

Indicator	Description	Standards	FY 2017-18		FY 2018-19	
EDU20	Percent of Children Enrolled in 1-5 Star Centers That Have Directors with College Degrees (i.e. 7 Administrator Education Points)	Minimum: $\geq 60\%$ of children enrolled in 1-5 star rated child care centers that have at least 7 administrator points. High Performing: $\geq 60\%$ of children enrolled in 1-5 star rated child care centers that have at least 7 administrator education points of each age group (age data available on LP Central)	67%	Meets Minimum	69%	High Performing
<b>Family Support</b>						
FS20a	Percent of Parents/Guardians Who Report Reading to their Children at least 4-6 Days a Week	Minimum: 75% High Performing: 90%	62% Statewide	Below Minimum	56% Statewide	Below Minimum
FS20b	Percent of Parents/Guardians Who Report Reading to Their Children Daily	Minimum: 55% High Performing: 70%	41% Statewide	Below Minimum	40% Statewide	Below Minimum
FS30	Percent of children age 0-5 with an investigated report of child abuse/neglect	$\geq 5.0\%$ and $<12.0\%$ A range has been set based on the distribution of identified children among counties. If the county is outside the range, the partnership will convene meetings to	N/A	Not Yet Available	N/A	Not Yet Available

FY 2018-2019 EC Profile DRAFT Results for North Carolina ( cont. )

Indicator	Description	Standards	FY 2017-18		FY 2018-19	
<b>Health</b>						
H10a	Percent of children ages 0-2 who receive early intervention or special education services	>= 4.0% and <10.0% A range has been set based on the distribution of identified children among counties. If the county is outside the range, the partnership will convene meetings to review data	5.7%	Within the Range	Not Yet Avail.	
H10b	Percent of children ages 3-5 who receive early intervention or special education services		5.8%	Within the Range	6.0%	Within the Range
H20	Percent of children enrolled in Medicaid who receive a well-child exam	Minimum: 75% High Performing: 85%	82%	Meets Minimum	82%	Meets Minimum
H60	Percent of low income children age 2-4 who are at a healthy weight	Minimum: 66.1% High Performing: 70%	65.60%	Below Minimum	65.60%	Below Minimum

**EC Profile Data Sources, 2019**

PLA40 - DCDEE Regulatory enrollment data, 2019

PLA50 - DCDEE Subsidy Reimbursement System, Smart Start Subsidy Reimbursement System, NC Pre-K enrollment data, Title I enrollment data, Head Start, 2019

EDU10 - DCDEE Regulatory enrollment data, 2019

EDU20 - DCDEE Regulatory enrollment data, 2019

FS20 - National Survey of Children's Health, 2017-18

FS30 - Management Assistance for Child Welfare, Work First, and Food & Nutrition Services in North Carolina, 2019;  
NC Office of State Budget and Management Certified Estimates of the Total Populations of Counties in North Carolina for July 1, 2018

H10a - NC Division of Public Health, Women's and Children's Health Section - "North Carolina's Infant-Toddler Programs: Saturation Rates", 2019

H10b - Department of Public Instruction Certified Headcount of Special Education, 2019; NC Office of State Budget and Management Certified Estimates of the Total Populations of Counties in North Carolina for July 1, 2018

H20 - NC Division of Medical Assistance, Form CMS-416 Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) Participation Report, 2018

H60 - NC Pediatric Nutrition and Epidemiology Surveillance System (NC-PedNESS), 2017

**APPROVED BY THE NCPC BOARD OF DIRECTORS ON: December 4, 2012**

**ACTION ITEM from EXECUTIVE COMMITTEE: Approve 401(k) Plan Amendment**

**BACKGROUND:**

The North Carolina Partnership for Children, Inc. (NCPC) offers employees a 401(k) Retirement Plan (Plan) which is administered by Fidelity Investments. NCPC is required to update or amend its Plan due to multiple reasons such as regulatory changes, new services offered by Fidelity or changes initiated by NCPC for the benefit of the participants. Fidelity has requested that we consider amending the Plan for certain new services that it is offering to participants and NCPC has identified changes to the loan procedures of the Plan.

**ISSUE:**

Fidelity is offering the following services that would be useful and helpful to Plan participants. Those additional services are described below.

- Minimum Required Distribution (MDR) Service – This allows Fidelity to calculate an MDR distribution for those participants in the Plan that meet the MDR requirements. There is a \$25 fee that either the participant or the Plan must pay. It is recommended that the participant pay this fee.
  
- De Minimus Service – De Minimus distributions (aka Mandatory Cash-Outs) are lump sum involuntary payouts from separated or terminated participants' accounts where the vested balance does not exceed \$5,000. This service automatically identifies eligible participant accounts, sends a letter and required notice, imposes a Plan defined notification period and distributes participant balances at the appropriate time. Disbursements include either a cash payout or rollover to a Plan elected IRA Rollover account. Fidelity Investments may be selected as the investment provider. There is no fee associated with this service.

In response to participants' requests, NCPC staff has also identified changes to the Participant Loan section of the 401(k) Plan. Currently, loans are allowed only to satisfy one of six allowable, immediate and heavy financial needs. Another provision in this section limits the number of loans a participant may apply for. The objective of these changes is to remove unnecessary barriers to plan participants' use of their funds.

**Participants Loan section of the 401(k) Plan Changes**

1. The change identified is to eliminate the reason or purpose to be stated in the loan application. There would be no rationale required for a participant to request a Plan loan.
2. Eliminate the restriction that the participant may only apply for one loan during each Plan Year. (There will continue to be the provision that a participant may only have one loan outstanding at any given time.)

**RECOMMENDATION:**

The Executive Committee met on November 15, 2012 and recommends the Board approve the four amendments to the 401(k) Plan involving the following.

1. Minimum required distribution services
2. De Minimus service
3. Eliminate all availability conditions for participant Plan loans. Eliminate the restriction on the number of loans a participant may apply for during each Plan

**THE NORTH CAROLINA PARTNERSHIP FOR CHILDREN, INC. INVESTMENT  
POLICY  
As of June 3, 2014**

**A. PURPOSE**

To establish investment objectives, standards of prudence, eligible investments, and safekeeping and custodial procedures necessary for the prudent management of non-State funds of the North Carolina Partnership for Children, hereinafter referred to as NCPC.

**B. OBJECTIVES**

1. NCPC's investment portfolio shall be designed to attain the best yield, throughout economic cycles, commensurate with NCPC's investment risk constraints and the cash flow characteristics of the portfolio.
2. The portfolio will remain sufficiently liquid to meet operating requirements that are reasonably anticipated.
3. The objective is to mitigate credit risk and interest-rate risk.

**C. GENERAL GUIDELINES/APPLICABLE POLICIES**

**1. Prudence.**

The standard of prudence to be used by officers and employees involved in the investment process is the prudent investor rule which states: Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

**2. Ethics and Conflicts of Interest.**

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

**3. Annual Review.**

The Audit and Finance Committee will review the investments periodically but no less frequently than annually.

**4. Authorized and Suitable Investments.**

Funds governed by this Policy may be invested in the instruments described below. Investments not listed below are strictly prohibited.

- a. United States Treasury Security. Treasury Obligations of the United States Government for which the full faith and credit of the United States are pledged for the payment of principal and interest and with maturities not exceeding three years from the date of purchase.

- b. United States Agency Securities. Obligations issued or guaranteed by any agency of the United States Government.
- c. Obligations of the State of North Carolina. Lawfully issued debt obligations of North Carolina and its political subdivisions that have a long-term rating of AAA or an equivalent rating or better. Maturities for these obligations shall not exceed three years.
- d. Bankers' Acceptances. Time drafts drawn on and accepted by a commercial bank, otherwise known as bankers' acceptances, issued by domestic commercial banks possessing the highest rating issued by Moody's Investor Services, Inc. or Standard and Poor's Corporation.
- e. Commercial Paper. Commercial paper issued by domestic corporations, that has received the highest rating issued by Moody's Investor Services, Inc. or Standard and Poor's Corporation. Eligible paper is further limited to issuing corporations that have total commercial paper program size in excess of five hundred million dollars (\$500,000,000).
- f. Investment Grade Bonds. Bonds with a credit rating of Aa3 or higher by Moody's Investor Services, Inc. or a rating of AAA or higher by Standard and Poor's Corporation.
- g. High-quality Stocks. Stocks with low leverage, high profitability, and low earnings volatility.
- h. Exchange Traded Funds. Funds that track broad market indexes, have strong performance records and low fees.
- i. Time Deposit Open Accounts, Certificates of Deposit, and Savings Accounts that are issued by a state or national bank or savings bank insured by the Federal Deposit Insurance Corporation. Maturities may not exceed 36 months.
- j. No-Load Money Market Mutual Funds that are registered with and regulated by the Securities and Exchange Commission that:
  - 1. Have a dollar-weighted average stated maturity of 90 days or fewer;
  - 2. Seek to maintain a stable net asset value of \$1 per share;
  - 3. Are A-rated or above; and
  - 4. Have provided the Agency with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940.
- k. Money Market Mutual Funds that invest in short-term debt securities, such as certificates of deposit, Treasury bills, and commercial paper.

**5. Diversification of Investments.**

NCPC's investment portfolio will be diversified to limit market and credit risk by observing the following limitations:

- a. U. S. Treasury Obligations may consist of up to 100% of the total portfolio.



- b. U. S. Agency Securities may consist of up to 20% of the portfolio.
- c. Obligations of the State of North Carolina. No more than 40% of the total portfolio may be invested in the obligations of any single issuer and no more than 20% of the total portfolio may be invested in these securities.
- d. Bankers' Acceptances may consist of 20% of the total portfolio.
- e. Commercial Paper may consist of 20% of the total portfolio.
- f. Investment Grade Bonds may consist of 5% of the total portfolio.
- g. High-quality Stocks may comprise 10% of the total portfolio.
- h. Exchange Traded Funds may comprise 20% of the total portfolio.
- i. Time Deposit Open Accounts, Certificates of Deposit, and Savings Accounts may comprise 100% of the total portfolio.
- j. No-Load Money Market Funds may comprise 75% of the total portfolio.
- k. No-Load Money Market Mutual Funds may comprise no more than 25% of the total portfolio.

**6. Identification of Short-Term and Mid-Term Investments.**

- a. Investments for short-term needs include U. S. Treasury obligations; U. S. Agency securities; and time deposit open accounts, certificates of deposit, and savings accounts.
- b. Investments for the longer term include bankers' acceptances; commercial paper; investment grade bonds; high-quality stocks; no-load mutual funds and money market funds; and exchange traded funds.

**7. Sale of Securities.**

NCPC's policy is to hold securities to maturity.

**8. Safekeeping and Custody.**

All investments shall be properly controlled to safeguard against theft, misuse, or damage. Certificates and other investment documents should be properly controlled by authorized personnel and bankers or brokers, if any.

Reviewed and approved by the NCPC Board June 3, 2014

## Media Policy

The North Carolina Partnership for Children

### Overview

The North Carolina Partnership for Children (NCPC) upholds a high standard of responsiveness and transparency for all media outlets and public records requests. We have a responsibility to be open and responsive to their information requests because the media are among the many ways our stakeholders and customers build their individual perceptions of NCPC and the Smart Start network, and the work we do in the communities we serve.

### Purpose

This policy exists to assure that information disclosed by NCPC is timely, accurate, comprehensive, authoritative and relevant to all aspects of NCPC and Smart Start. Adherence to this policy is intended to provide an effective and efficient framework to facilitate the timely dissemination of information.

### Scope

This media policy applies to all employees of NCPC and members of its Board of Directors. This policy covers all external news media including broadcast, electronic and print.

### All media inquiries are referred to the Communications Department

The Communications Department is designated as NCPC's principal media contact and organization spokesperson. This department has expertise in media relations and weighs each media inquiry to determine the best way to provide information. The Communications Department will convey the official NCPC position on issues of significance or situations that are particularly controversial or sensitive in nature.

All media calls to NCPC staff should be referred to the Communications Department. Please do not say you are not allowed to talk to a reporter or have to get permission to do so. Instead, tell the reporter: "NCPC policy is to refer all media inquiries to The Communications Department. You can reach our Communications Director at 919-821-9564." Media calls to NCPC Board members may be, and are strongly encouraged to be, referred to the Communications Department.

In circumstances in which you have a positive news story to share with the public, contact the Communications Department. It is the only department authorized to distribute NCPC news releases, pitch coverage of particular events or hold newsconferences.

## Media Procedure

The North Carolina Partnership for Children

### Responsibilities of Communications Department

The Communications Director is designated as NCPC's principal media contact and organization spokesperson. This department has expertise in media relations and weighs each media inquiry to determine the best way to provide information.

*Among communications responsibilities:*

- Increase public awareness and understanding of NCPC and the Smart Start network, as well as the services provided to local communities and children and families across the state.
- Promote a positive public image of NCPC and the Smart Start network.
- Determine the most appropriate spokesperson or interviewee depending on situation, topic, and level of risk. The Communications Department will work with that designated spokesperson to prepare them for the media interview as needed. Preparation may include developing talking points as well as counseling, training and practicing for the interview.
- Convey the official NCPC position on issues of significance or situations that are particularly controversial or sensitive in nature.
- Communicate with staff and Board when a media inquiry has been received that could result in controversial or sensitive story.

### Guidelines for Responding to the Media for members of the Board of Directors

Media calls to NCPC Board members may be referred to the Communications Department. If the Board member chooses to respond to a media inquiry, below are guidelines for responding:

- Whenever taking a call from the media, courtesy and professionalism are important.
- Please act quickly when approached by the media to ensure that the reporter's deadline is met. This is important because the way this call is handled may be the reporter's first impression of NCPC and the Smart Start network and that first impression may end up in the story published or the news segment broadcast.
- Please contact the Communications Department if and when you have been approached by the media. The Communications Department is available to help you prepare for an interview and needs to be aware of all potential stories.
- Do not let a reporter compel you to answer questions on the spot. It is always beneficial to prepare in advance in order to provide accurate and relevant information. Ask the reporter what questions they have and when they have some time to schedule an interview.
- Always stay positive. Even if you are asked a negative question, do not repeat the question with a NO in front of it (e.g. Question: "Isn't child care really just babysitting?" Defensive response: "No, child care isn't babysitting." Positive response and preferable quote: "Early childhood programs set the foundation for a child to be successful in school.")
- Stay out of the weeds. Prior to the interview, identify what are the two or three key points that you want to make or values that you want the reporter to walk away with. Make sure you have the facts or actions that back those up.

### Guidelines for Seeking Media Coverage

In circumstances in which you have a positive news story to share with the public, contact the Communications Department. It is the only department authorized to distribute NCPC news releases, pitch coverage of particular events or hold newsconferences.

- Do not call a reporter directly without first consulting the Communications Department.
- The Communications Department will work with you to gather information and determine if and how the news media should be contacted. Similar measures used by editors and reporters will be considered to determine if your story is newsworthy.
- Some news items may be more appropriate for Smart Start network publicity.

