

DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF CHILD DEVELOPMENT
NORTH CAROLINA CHILD CARE COMMISSION
2009-10 CONFERENCE CALL MINUTES

July 2, 2010

*Division of Child Development
319 Chapanoke Road, Suite 120
Raleigh, NC
Conference Room 300*

Commission Members Present

Angela Boyce Davis	Jennifer Svenstrup
Connie Harland	Claire Tate
Dr. Mary-Cassie Shaw	Julia Baker Jones
Deanne Smith	
Lois Stephenson	

Commission Members with an Excused Absence

Margaret Anne Biddle, Magdalena Cruz, Penny Davis, Lorrie Looper, Laurie Morin

Division of Child Development (DCD) Staff Present

Tammy Barnes, Regulatory Services	Kathy Shepherd, Workforce Standards
Ron Byrd, Subsidy Services	Anna Carter, Deputy Director
Jani Kozlowski, Director's Office	Lorie Pugh, Regulatory Services
Dedra Alston, Director's Office	Nicole Wilson, Director's Office
Staci Brown, Regulatory Services	Kimberly Mallady, Director's Office
Mary Lee Porterfield, Workforce Standards	Karen Ferguson, Director's Office
Melissa Stevenson, Regulatory Services	

CALL TO ORDER

Nicole Wilson welcomed the members and called the rolled to ensure a quorum was in place before the discussion began. Chairperson Claire Tate welcomed Dedra Alston to begin with guiding the discussion about rule objections and corrections made in order to move forward with the rule packet.

Rules Discussion

Ms. Alston explained that the Rules Review Commission met on June 17, 2010 and they objected to a few rules. The BSAC definition in Rule .0102(3) was objected to due to lack of statutory authority. They wanted the standards to be set, and instead of listing the standards that DCD would approve BSAC by, it was recommended that we include that the NC State department had developed it and would be revised later on. Language for this rule was presented as follows:

- (3) "Basic School-Age Care training (BSAC) means the training on the elements of quality afterschool care for school-age children, developed by the North Carolina State University Department of 4-H Youth Development and subsequently revised by the North Carolina School-age Quality Improvement Project. Other training shall be approved if the Division determines that the content of the training offered is substantially equivalent to the BSAC training.

Chairperson Tate asked for clarification on other highlighted areas within the rule that appeared to be edits and dating updates since the Commission will be voting on the rule as a whole. Ms. Alston explained that other edits had already been approved or were technical changes, as advised by the RRC. Regarding another technical change, Angela Boyce Davis asked about Item (18) and what had originally been there. Ms. Tate explained that the Commission had taken out "NC Healthy Start Foundation," but RRC wanted it put back in.

Commission Action: Jennifer Svenstrup moved that Rule .0102 be approved with the changes as they have been presented today. Angela Boyce Davis seconded. There was no other discussion, so Chairperson Tate called for a vote. The motion was approved.

Rule .0511 was object to because of ambiguity for the term "substantial portion of each day." This has been changed to "on a daily basis." With technical changes, in the first line, we added a new paragraph that states that this rule is for children under two years of age because it was stated that if we didn't have the title, you wouldn't know who this rule applied to. In paragraph (c)(1), the phrase "but not limited to the following" was deleted, and in Subparagraph (c)(3), the phrase "shall be" was changed to "is."

Ms. Tate asked about the removal of the word "television" on line 9, Paragraph (e). Staff agreed that this was a mistaken deletion, and would be added back in before "videos" in the sentence. Ms. Tate also suggested that the phrase "on a daily basis" be moved to the beginning of Part (a)(1)(C) to help the sentence read better. Dr. Mary-Cassie Shaw agreed.

Commission Action: Deanne Smith moved that Rule .0511 be approved with the changes as they have been presented today including the two modifications as they have been discussed. Lois Stephenson seconded. There was no other discussion, so Chairperson Tate called for a vote. The motion was approved.

Ms. Alston said that the changes to Rule .0102 (3) satisfies the objections that RRC had to Rule .2510. There are no changes in this rule to vote on, but it had been included in the rules today to show the Commission.

Jani Kozlowski with the Director's Office shared a brief legislative update. She shared that the Governor signed her budget into law a few days ago. Regarding budget cuts to DCD, we saw \$261,000 cuts for operating expenses and \$72,000 in cuts to positions. \$23.6 million subsidy state funds were swapped with TANF funds. Ms. Kozlowski explained that the legislature does this because there is a lot of flexibility in the way those TANF funds are used. There was a recurring cut of \$6 million to the actual subsidy system. This was put out there because there is a sense with the new EBT system, we will be saving money and the estimated amount was 6 million dollars. So, even though the system is not place yet, the cut was made. Jennifer Svenstrup asked when this cut would go into effect. Ms. Kozlowski explained that it begins July 1st. Ms. Svenstrup asked if there is a system in place about removing vouchers from children because of this loss of funding. Ms. Kozlowski explained that a memo was sent out to county DSS Directors that outlined expectations around the cut. Families that had been served on extended eligibility while they were looking for work, or had extension to get higher education will get to continue their services until their eligibility expires. Anna Carter shared that a memo was also sent out about the time-limited vouchers and that they would be maintaining those until August. There used to be about 11,000 children on these time-limited vouchers. Right now, all that remain are about 3,600 children. We've tried to work with the dollars so they could at least remain on this voucher through the summer, in the hopes that come August, there will be children who come off the voucher system because they're going back to school, or have turned school-age. The RFP for the EBT System is out there, and it closes July 16th. The Division hopes to have a contract in

place by September 1st for this new system. The plan is to pilot it for a month, then get it up and going statewide. This means we will not be realizing savings until about January of 2011. Ms. Svenstrup asked if there is sustainability with the TANF dollars. Ms. Carter said the swap was listed as a non-recurring cut because we have to have a state match. Ms. Kozlowski said that Smart Start received a recurring \$5 million cut. More At Four didn't receive a cut, but they did get a TANF swap of \$30.5 million. This year, some lottery funds were used to help keep K-12 teacher layoffs down. We think that some of those dollars came from MAF since they had been receiving some lottery funds before.

There may be some subsequent funding cuts in January because there was an expectation that there would be about \$500 million dollars of Medicaid funding approved at the Federal level. This hasn't been approved yet, so in January, we may actually see more cuts if this doesn't go through.

Commission Appointments:

Ms. Kozlowski shared that Claire Tate, Lois Stephenson and Deanne Smith were all reappointed by the Governor's office. Also, a new Governor's appointee is Norma Honeycutt, the Director of Partners in Learning in Salisbury. Scheduled for reappointed by the Speaker of the House's office is Connie Harland as well as Lorrie Looper, who will be moved from a for-profit provider to a citizen appointment. On the Senate side, we expect reappointment of Margaret Anne Biddle. The for-profit provider that is slated for appointment is Mr. Larry Lean. He is the owner of Children's House Montessori in Goldsboro, and is also a professor at Mount Olive College. Both the Senate and House appointments bills are the last to be presented, but we expect to see these later in July.

Bills of Interest:

House Bill 1726 – Improved Child Care Nutrition and Activity Standards: This came out of the Legislative Task Force on Childhood Obesity (Representative Weiss). This bill requires that the Commission adopt improved nutrition standards in consultation with the Division of Public Health. It states that the Commission shall consider 5 things. These are: a prohibition on sweetened drinks other than 100% fruit juice to children of any age, a limitation or prohibition of whole milk for children two years or older, and a limitation or prohibition of flavored milk for children of any age, limiting or prohibiting no more than 6 ounces of juice per day for children of any age, and a limitation or prohibition of juice from a bottle. Also included was the thought that exceptions should be made for children on special diets or those with allergies that might not be able to hold to these standards. In the bill as well, we see that the Commission will study levels of physical activity in child care and review model physical activity guidelines, and report out findings by September 1, 2011. Ms. Svenstrup shared that she had receiving emails from YMCA's about this issue. They were happy that the Commission would be creating stronger nutritional standards, but she also received communication from YMCA lawyers stating that lawmakers had stripped out a provision requiring rules banning serving of all sugar-sweetened beverages because they considered us to be becoming a "nanny state," and so there was some type of law that went into effect that reduced these restrictions. Now, it says that 100% fruit juices would not be banned, so basically if sites are not licensed, the standards went way down. Ms. Kozlowski confirmed that the bill was weakened after a very contentious round in the House. The change is that it used to say that the standard "shall include" those five things mentioned previously, but now it's saying that the Commission will adopt improved nutrition standards and "shall consider" these items. It is still up to the Child Care Commission as to how those rules will look. There has been a lot of contention around this topic, and DCD has even been referred to as 'the milk police.' Ms. Svenstrup explained again that YMCA programs are happy to hear that the Commission will be working on these rules, but that there was concern about how the law had been weakened by stripping out the ban on sugar-sweetened beverages. Anna Carter explained that there is already a rule regarding the limit on sugar-sweetened beverages except for special occasions. She found it ironic that during some of these discussions, there were several articles that were coming out in the papers about what families can do to be more healthy, including limiting sugary drinks and whole milk. Another part of the bill states that the Commission will also review changes to the CACFP, which is a Federal program, so it would need to be done in partnership with

the Department of Public Health. DPH will be required to report findings on changes that could be made to CACFP by December 1, 2010. The Senate is scheduled to vote on this bill on July 6th.

Consolidation Task Force Bills:

The Consolidation Task Force created a series of bills, and some of the language from those ended up in the budget bill, and one of the bills is still in process. In the budget bill, (all of these were put forward by House Representative Rapp and Senator Blue), one, located in the special provisions of the budget bill, was regarding establishing a joint legislative study committee. The membership would include five representatives from the house and five from the senate, as well as ad hoc members that are reflective of members that were on the consolidation task force. The ad hoc members would be non-voting, but we were pleased to see them included.

Another bill, which has been passed since it was included in the budget bill as well, was regarding the consolidation of regulatory functions. Specifically, that More At Four classrooms in private child care centers will be monitored by DCD instead of the Office of Early Learning. This is to help with efficiency since DCD licensing consultants are already in all of the centers that have these MAF classrooms. The consultants will be trained on the MAF program standards so that while they are there for their regular visits, they can monitor the MAF standards as well.

The other special provision in the budget bill was related to the EBT system. In the Consolidation Task Force Bill, it was listed under consolidated payments. Knowing that we were planning for the EBT system, the bill for consolidating payments included MAF, Smart Start and Head Start, in trying to consolidate all of those payment systems. That is a nice goal for the future, but for now, we are just trying to get the system off the ground, so the language in the bill states that DCD will implement the EBT system, and then will study ways to consolidate payment systems with other programs. The special provision language includes studying systems in Georgia and Texas, so there must have been some knowledge of programs there, so that will be something coming up in this next year.

The final Consolidation Task Force bill that did not make it into the budget refers to Early Education Certification. This is SB1192 (Senator Blue) and it states that current teaching staff in the field will be certified by the Institute for Child Development Professionals by July 1, 2010, and that new staff that start after October 1, 2010 will have 60 days to become certified. Family Child Care Home providers are on the same timeline. This will help make things easier for providers since right now, they are having to send transcripts in to multiple places, but as certification moves forward, the Division will be able to consolidate that process, so there will be a single portal of entry for providers to have their education certified. It passed the Senate, and the House is scheduled to vote on it next week.

Lastly, is SB 567 which is called The Responsible Individuals List in Abuse and Neglect. A 'responsible individual' is defined as a parent, guardian or caretaker who abuses a child. The way it affects DCD, the Commission and providers is that it will require DHHS to maintain a central registry of these individuals. This information would be provided to DCD and child care programs as needed to get that information. The bill has been going through some battle over individual rights concerns and how they will be notified that they are on this list and an appeal process for those who feel they shouldn't be on this list. It has passed the House, and changes were made concerning these rights issues, so now the Senate is working on the differences they have with the bill. Anna Carter said this is something that has been out there, but because of a court case, it was determined as unconstitutional the way it was previously written, so they were trying to reword it.

We are preparing for the end of the session, which is planned for next week.

Chairperson Tate asked the group if moving the first quarterly meeting for the 2010-2011 meeting from the 30th to the 23rd of September would work for the majority of the group. After some discussion, it was determined that the date would be set for the 23rd of September from 8:00 a.m. to 5:00 p.m.

Commission Action: Jennifer Svenstrup moved to adjourn the meeting. Julia Baker Jones seconded. There being no further discussion, Chairperson Tate called for a vote, and the motion carried.

There being no further business, the meeting adjourned at 10:14 a.m.

The next meeting of the North Carolina Child Care Commission is scheduled for Thursday, September 23, 2010.