

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF CHILD DEVELOPMENT AND EARLY EDUCATION

NORTH CAROLINA CHILD CARE COMMISSION

Third Quarter Meeting
Monday, February 10, 2020
DCDEE
333 East Six Forks Road
Raleigh, NC 27609

Commission Members Present

Zac Everhart, Chairperson
Rhonda Rivers, Vice Chairperson

Sheresa Blanchard
Melissa Burroughs
Susan Butler-Staub
Victor Coffenberry
J. Lanier DeGrella
Sharon Foster
Elizabeth Gilleland
Mitchell Gold

Charles F. McDowell, III
Perry S. Melton
Beth Messersmith
Amelie Schoel
Iheoma Iruka Thompson

Commission Members with an Excused Absence

Kimberly J. McClure
Janie R. Truesdale

Division of Child Development & Early Education Staff Present

Kristi Snuggs, Interim Director
Heather Laffler, Administration/Policy
Arlette Lambert, Administration/Policy
Dedra Alston, Administration/Policy
Branda Watford, Administration/Policy
Theresa Roedersheimer, Administration/Policy
Rachel Kaplan, Administration/Policy

Laura Hewitt, Administration/Policy
Kylie Bezdek, Administration/Policy
Tammy Barnes, Regulatory Services
Andrea Lewis, Regulatory Services
Lorie Pugh, Regulatory Services
Alison Keisler, Regulatory Services

Attorney General's Office Staff

John Green, Commission Attorney
Amber Davis, DCDEE Attorney

Welcome

Chairperson Zac Everhart called the meeting to order at **9:07 a.m.** and reviewed housekeeping items.

Roll Call

Chairperson Everhart read the conflicts of interest statement and asked whether there were any conflicts noted for today. Ms. Dedra Alston conducted roll call. Chairperson Everhart reviewed the agenda and discussed the materials.

Chairperson Everhart also noted that the Commission needed to schedule a date to adopt the fiscal note by teleconference by March 10, 2020, to have the public hearing during their next in-person meeting in April. The meeting is scheduled for March 2, 2020, at 10:00 a.m. Ms. Alston will send out detailed information to the Commission following today's meeting.

Chairperson's Report

Approval December 9, 2019 Second Quarter Meeting Minutes

Mr. Vic Coffenberry expressed that he did not think the discussion of Ms. Amelie Schoel concerning SB212 was adequately captured in the meeting minutes. Ms. Schoel stated that she will write a summary of her intent of that conversation to be included in the amendment of the minutes. Ms. Schoel stated that she would like to see the Commission work with DCDEE staff in an effort to accomplish the intention of SB212 (Teacher Qualifications) in rulemaking, as opposed to legislatively. She believed during the Rule revision process, the Commission demonstrated a willingness to take input from all stakeholders and review the fiscal impact to make the most informed decisions for all involved. She stated that she would hope those same principles would be applied to the discussion surrounding teacher qualifications.

Mr. John Green brought attention to a correction on Page 10 that Ms. Melissa Burroughs is not on the committee and her name should be removed.

Commission Action: Chairperson Everhart asked for approval of the December 9, 2019 Second Quarter Meeting Minutes. Rev. Charles McDowell motioned for approval with the amendment and correction. Ms. Amelie Schoel seconded. The motion carried unanimously.

Presentation of Leandro Ruling—Henrietta Zalkind, Down East Partnership for Children ***The Governor's Commission on Access to Sound, Basic Education Developing an Action Plan for a Sound, Basic Education for All Students***

Ms. Kristen Guillory provided an overview of the Governor's Commission on Access to Sound, Basic Education. Ms. Guillory read directly from Executive Order 27, which details the expectations of the Commission. Ms. Schoel asked where the Child Care Commission can find the recommendations. Ms. Guillory stated on the Governor's website. There is also a presentation available as well.

Ms. Henrietta Zalkind presented a PowerPoint presentation on the early childhood component of the sound, basic education.

Early Childhood/ "Whole Child"

- Build the early childhood educator pipeline for birth through 3rd grade
- Scale up Smart Start to provide early childhood system infrastructure and a continuum of services for children and families from birth to age five
- Expand access to early intervention
- Scale up the NC Pre-K Program to serve all eligible at-risk four-year-olds
- Ensure that elementary schools are ready to meet the needs of all children in the early grades
- Improve cross-sector early childhood data quality, collection, analysis, and use for data-based decision making

Build the early childhood educator pipeline for birth through 3rd grade

- Develop a salary and benefits scale and strategies for improving compensation for the birth to age five workforce. Provide salary parity with public school educators with comparable qualifications.
- Enhance early childhood program funding rates to support the workforce
- Increase funding for Child Care WAGES and Infant-Toddler Educator AWARD\$ wage supplement programs
- Provide professional development that is aligned for the birth through 3rd grade educator workforce

Scale up Smart Start to provide early childhood system infrastructure and a continuum of services for children and families from birth to age five

- Increase state funding for Smart Start that will: Address a greater percentage of community need
 - Expand a range of family support strategies, reaching children as young as possible when the impact is the greatest
 - Expand developmental screenings
 - Support high-quality early education programs
- Allow community-level flexibility in funding to meet the greatest community needs and build capacity to manage multiple public and private funding sources

Expand access to early intervention

- Expand eligibility for the IDEA Part C Early Intervention Program for infants and toddlers to reach more who are at-risk for developmental delay
- Strengthen early intervention capacity and infrastructure at the state and local levels
- Expand infant/early childhood mental health services

Scale up the NC Pre-K Program to serve all eligible at-risk four-year-olds

- Increase state funding to serve all at-risk four-year-olds
 - Implement strategies to ensure equity of access in communities of color and in communities whose first language is not English
- Increase state funding to increase rates to support the true cost of providing NC Pre-K
 - Rates should factor in the cost of teacher salaries/benefits with parity to public school teachers, transportation, quality improvements, and child find
 - Continue to maximize the public-private mixed delivery system
- Ensure access to full day and full year programs to meet family needs and prevent summer learning loss

Ensure that elementary schools are ready to meet the needs of all children in the early grades

- Support effective transitions for young children from birth to age 5 programs into elementary schools that are ready for *ALL* children
- Ensure high-quality elementary principals and teachers, trained in early learning
- Expand instructional assistants in K-3
- Expand student access to school psychologists, nurses, counselors, and social workers
- Ensure capacity for evidence-based teaching of early reading
- Ensure effective support for children with unique needs

Improve cross-sector early childhood data quality, collection, analysis and use across the state and build a culture of continuous quality improvement to support data-based decision making

- Support a NC Early Childhood Data Advisory Council
- Improve data collection for measures prioritized in the NC Early Childhood Action Plan and the NC Pathways to Grade-Level Reading. Use data to focus on equity and target services.
- Connect data systems for birth to age five programs to data systems for public schools for more effective alignment and transitions

Commission on Access to Sound Basic Education's website:

- <https://governor.nc.gov/issues/education/commission-access-sound-basic-education>

Mr. Mitchell Gold expressed his concern of the role of the legislature. He asked if republican legislators have been involved in this. Ms. Guillory stated they are aware of the issues and are working together. The Commission had bipartisan representation.

Mr. Perry Melton stated that this research has validated what NC Pre-K providers have been stating for years. He expressed his thanks for this work.

Ms. Schoel asked if the Judge put a dollar amount with his order. Ms. Zalkind stated that WestEd is in the process of calculating the costs, but Ms. Guillory stated the Judge has not yet issued any monetary judgement. Ms. Zalkind stated the judge's order is the *what* and not the *how*; that will be left to the legislature.

Ms. Schoel asked whether the identification of early childhood disabilities was included in the recommendations for "at-risk" for early intervention, Ms. Zalkind stated yes. Ms. Schoel asked about mental health services and why the order didn't specifically address the recommendation about early intervention and mental health. Ms. Zalkind stated that she did not perceive they disagreed with the recommendation, but they probably just ran out of time to address it specifically. Ms. Guillory reiterated that there was no disagreement with the recommendation.

Ms. Beth Messersmith expressed that teacher workforce financing needs be more fleshed out before presenting to the legislature. Ms. Guillory stated there will be an implementation process that will address all costs, and WestEd also stated more study is needed.

Ms. Messersmith stated that the needs of special populations was not detailed in the recommendations, especially trauma due to incarceration and immigration and DLLs. Ms. Zalkind stated that these recommendations are addressed more in the disadvantaged student section and WestEd did address them as well.

Mr. Coffenberry asked about whether parent involvement buy-in was addressed. Ms. Zalkind stated that this was discussed in multiple sections, including scaling up Smart Start to fund parental involvement. Mr. Coffenberry stated that he was in the public schools when they took TAs out of classrooms, and now that the recommendations include decreasing ratios, the TAs are essential to providing the one-on-one interaction necessary.

Mr. Coffenberry also asked whether there is a priority list of the recommendations. Ms. Zalkind stated that the next steps involve prioritization and classifying short-term versus long-term tasks.

Dr. Iheoma Thompson stated that the Child Care Commission should focus mostly on the workforce recommendations. She stated that this needs to be thought of strategically; parity is wanted but, ultimately, teachers also need to be paid more.

Dr. Thompson asked how to pull all early childhood programs in the state together; a more cohesive well-funded system is needed.

Mr. Melton stated that the data supports that these recommendations of full-time day and year-round programs increases the costs.

Dr. Lanier DeGrella stated that adding at-risk as eligibility criteria for early intervention is so important because early detection is key.

Dr. DeGrella asked about who will be responsible for developing the implementation plans. Ms. Guillory stated that parties to the case are responsible.

Ms. Guillory will send the order to the Commission.

The Commission thanked Ms. Zalkind for her work and dedication.

Director's Report—Interim Director, Kristi Snuggs

Federal Update

CCDF Monitoring

- Conducted by the Office of Child Care
- Onsite visit dates: April 21-23, 2020
- Monitoring 11 areas
- Currently in the Preparation Phase
- Submitted documentation for Desk Review

Outside of the writing of the CCDF Plan and the annual QPR, this is the first year Lead Agencies for the CCDF Program have had onsite monitoring by OCC for compliance with CCDBG Final Rule.

Monitoring 11 areas. These areas include (share two or three):

- Disaster Preparedness, Response, and Recovery
- Consumer Education: Dissemination of Information to Parents, Providers, and General Public (focusing on the posting of Monitoring Reports and Annual Aggregate Data)
- Twelve Month Eligibility
- Child: Staff Ratios and Group Sizes
- Health and Safety Requirements for Providers (11 Health & Safety Topics)
- Pre-Service/Orientation and Ongoing Training for Providers
- Inspections for CCDF Licensed Providers
- Inspections for License-Exempt CCDF Providers
- Ratios for Licensing Inspectors
- Child Abuse and Neglect Reporting
- Program Integrity and Accountability

NC has its next preparatory call in March. In January, NC completed a monitoring compliance demonstration packet for our federal partners to review prior to coming onsite.

Additional Federal Dollars

FY2020 government spending bills to fund the government through the remainder of the fiscal year included over \$1 billion in increased funding for federal early learning and care programs, including a \$550 million increase for the Child Care and Development Block Grant (CCDBG) program and a \$550 million increase for Head Start & Early Head Start. For North Carolina, that's an increase of approximately \$18M. Of those funds, \$15.8M will be used to subsidize childcare and the remaining \$2.2M for quality improvement projects.

Ms. Messersmith expressed concern about supplanting other funds. Interim Director Snuggs stated that CCDF funds does have a non-supplantation clause. She also stated that North Carolina is at a point in which the movement of additional dollars would not be able to be matched with State funds. Ms. Messersmith asked how many slots the \$18 million will cover. Mrs. Elizabeth Everette stated that an estimate is \$560 a month per child.

Ms. Schoel asked if Interim Director Snuggs will share bullet points on the non-supplantation issue. A handout was passed out later in the meeting with these bullet points.

Preschool Development Grant

- In late 2018, DCDEE applied for and was awarded a Preschool Development Grant (PDG) from the Administration for Children and Families, Office of Child Care
 - To strengthen North Carolina's early childhood education system.
- In late 2019, NC elected to apply for the renewal grant in order to continue strengthening and enhancing North Carolina's early childhood education system.
- On December 18, 2019, notification was received that North Carolina is among 20 states and territories that have been awarded three-year renewal grants through the PDG B-5!
- DCDEE will receive \$40.2 million during the 3-year grant to:
 - Build upon the work from the previous planning grant and
 - Implement activities that will address areas identified as high priority in the PDG Needs Assessment and Strategic Plan.
- [North Carolina's application is available for download.](#)
 - Please note that the initial application does not reflect the final award.
- Kickoff meeting February 14, 2020

What new PDG activities are planned for North Carolina?

Family Engagement – The Needs Assessment identified a great need for home visiting services, with less than 1% of families having access to a home visiting program in NC. NC will pilot Family Connects, a universal home visiting program, with a goal of full statewide implementation over time.

Sharing Best Practices - The Needs Assessment recommended improving the pipeline for EC educators to ensure that the teacher supply keeps up with demand and further builds a competency-based model that supports training and coursework to ensure knowledge is put into practice in the classroom. Two new activities are planned to address this need.

Improving Overall Quality - The Needs Assessment found that NC families, particularly those from vulnerable populations, need affordable high-quality infant/toddler (I/T) care. The Needs Assessment also identified limited offerings and access barriers for specialized services and gaps in specialized transition services for specific populations of children. - New activities to address this need include:

- A feasibility and cost study of establishing a statewide high-quality I/T program based on the Babies First NC pilot;
- Increasing early identification and mental health supports for young children;
- Increasing access to high quality care through alternative rate methodology; and

- A two-part strategy to ensure that young NC children experiencing homelessness receive appropriate early childhood education services to promote their wellness and readiness to succeed in school.

Data Use for Continuous Improvement – The Needs Assessment recommended that NC continue efforts to improve its EC data systems. –DCDEE will work with the Department of Public Instruction and Teaching Strategies GOLD®, a developmentally appropriate criterion-referenced system for assessing children’s knowledge, skills, and behaviors from birth through third grade to support transitions by sharing information about each child’s developmental progress across pre-k and kindergarten programs.

Ms. Schoel asked if this has been implemented yet. Interim Director Snuggs said that, while there are many programs already utilizing GOLD, the expansion of the tool to ALL classrooms has not been implemented yet.

State Update

Early Childhood Action Plan – ECAP

The North Carolina Early Childhood Action Plan outlines a cohesive vision, sets benchmarks for impact by the year 2025, and establishes shared stakeholder accountability to achieve statewide goals for young children from birth through age 8.

The plan centers on three themes: that North Carolina’s young children are healthy, grow up safe and nurtured, and are well-supported to be learning and ready to succeed. It presents a bold vision, focusing on improving outcomes related to children’s health, safety and well-being, and developmental and academic readiness.

The plan provides a framework for galvanizing coordinated action across public and private stakeholders throughout North Carolina and centers around making measurable changes in early childhood outcomes. It includes 10 data-informed goals and will continue to grow and develop over time.

Work began on drafting the plan in August 2018, when Governor Roy Cooper issued [Executive Order 49](#) that directed DHHS to develop the plan. DHHS worked extensively with over 350 stakeholders from across the state to develop the Early Childhood Action Plan, including the Governor’s Early Childhood Advisory Council (ECAC). More than 1,500 people provided feedback on the plan, providing valuable input as the plan was drafted.

Early Educator Investment Collaborative

Call for Letters of Intent to Submit Proposals to Transform Early Childhood Education Lead Teacher Preparation Programs

- Support partnerships that seek to engage in transformative change for educator preparation
- Participate in a learning community
- Ensure that every young child has access to high-quality early childhood education programs by teachers who are
 - Well-prepared
 - Appropriately compensated
- Partnership = 1) 4-year institute of higher education with a bachelor’s degree program for lead teachers AND 2) state
- Primary focus on preparing lead teachers with a competency-based bachelor’s degree
- 7 institutions are participating

Dr. Sheresa Blanchard stated she will send out the proposal for feedback from the Commission.

Ms. Messersmith asked about if they are considering the barriers for single, working parents to be able to go back to school. Ms. Blanchard stated yes; these barriers are addressed but will not supplant existing programs, such as T.E.A.C.H. and WAGE\$.

Dr. Sharon Foster asked if grandparents can be included in the ECAP recommendations. Interim Director Snuggs stated that grandparents are included in the plan.

Dr. Blanchard stated that the goal is a 4-year degree or licensure.

Ms. Schoel asked if T.E.A.C.H. and WAGE\$ is discussed at Community Colleges. Interim Director Snuggs stated that the Community College typically discusses these programs; however, 4-year institutions are less likely and that is one of the barriers for students.

Legislative Updates

- Returned January 2020 for one day
- Plan to return April 28, 2020, for the short session
- Several bills remain on the Governor's desk

Ms. Messersmith asked about efforts regarding legislative outreach to Early Childhood Caucus.

North Carolina General Assembly 2019 Long Session

HB886 Ratified-Required to study the challenges child care facility operators face in participating in NC Pre-K program

- Contracted with the Frank Porter Graham Institute
 - Survey of 4- & 5-Star providers who do not currently have NC Pre-K
 - Survey programs who currently have NC Pre-K
 - Survey contractors of NC Pre-K
- Frequently cited challenges for current NC Pre-K Programs & non-NC Pre-K providers
- DHHS & DCDEE working on legislative report currently

The most included challenges for current programs:

- reimbursement rates being too low, rising operating costs, and no inflation adjustments
- transportation for children not available, child attendance difficulties, and not enough eligible children to enroll;
- inability to locate qualified teachers, to retain qualified staff, and to provide adequate compensation; and
- not having enough space for additional classrooms.

For non-NC Pre-K providers, the more frequently cited issues included:

- the administrative burden being too great;
- transportation for children not being available;
- inability to locate qualified teachers and to provide adequate compensation; and
- not enough space for additional classrooms.

Subsidy Update

Key Drivers that Impact Subsidy Spending

- Child Care and Development Block Grant Reauthorization
 - *Extended 12 Month Eligibility Periods*
 - On November 19, 2014, the President signed into law bipartisan legislation that reauthorized the Child Care and Development Block Grant Act (CCDF Funding). States and territories were expected to be in full compliance of new rules under this language by October 1, 2018.

- Under the revised law, a child's eligibility status for CCDF subsidy is effective for a minimum of 12 months regardless of changes in the family's income^[1] or temporary changes in the parent's participation in work, training, or education activities. Longer eligibility periods help to promote continuity of care for children and support parents' ability to find and maintain employment.
 - Congress anticipated the increased costs associated with these changes and allocated significant and recurring funding to states in the CCDF Discretionary award. For North Carolina (FY 18), CCDF Discretionary funding was increased by \$74.4M. However, as described in the next section, the General Assembly did not increase funding for child care subsidy accordingly.
- Impacts of State Funding Decisions
 - In the same year that North Carolina received additional CCDF funding, legislation enacted in the SFY 17-18 budget reduced the investment of recurring state appropriations to NC Pre-K by \$50M and moved \$50M in federal TANF dollars out of child care subsidy into NC Pre-K in order to maintain NC Pre-K funding levels. **The net result is that the new CCDF federal dollars added to child care subsidy had to be used to cover the \$50M in TANF dollars that were swapped out to cover the state funding cut.**
 - As a result, North Carolina has not been able to use the federal increase in subsidized child care funds to pay for the costs associated with the new CCDF requirements, nor have we been able to serve many additional children from the subsidized child care waiting list which currently stands at 42,000 children.
- Market Rate Changes
 - Legislation in 2018 increased child care market rates, which increased the funding needed to pay for each child with subsidy.
 - Tier 3 Counties: Rates were increased for pre-school age children to meet the 75th percentile for rates based upon the 2105 Market Rate Survey. The 75th percentile has historically been the basis for targeting market rates to assure that they are sufficient to assure access to care for families.
 - Tier 1 and 2 Counties: Rates were increased to the 100th percentile. By definition, this sets the rates in these counties at the single highest rate identified in the survey rated for every age group reported in each county (for example, of one child care program in the county), even in cases where this rate may be a significant outlier relative to rates of other providers.
 - Since Tier I and II County rates were moved to the 100th percentile, average payments in those counties have increased by 18% over prior years. This translates to an estimated increase of \$30.6M increase in annualized spending in those counties.
- Hurricane Florence
 - DCDEE took steps to support families and children impacted by Hurricane Florence. Subsidized child care parent fees were waived for families in declared disaster counties for up to four months. This increased costs temporarily for those counties, but the expense was non-recurring and designed to provide short-term relief for these families. Costs associated with these efforts totaled \$2.2M.
 - ^[1] As long as income does not exceed the federal threshold of 85% of State Median Income.

Effective October 1, 2019-Subsidy Freeze was lifted.

Dr. Foster asked about the process of informing the Waiting List families. Ms. Everette summarized the process and stated that counties are being encouraged to be aggressive with waiting lists.

Dr. Blanchard asked about whether there are barriers to finding adequate child care for the families after they qualify for Subsidy. Ms. Everette stated it can be a barrier, but it varies across the state.

Ms. Susan Butler-Staub mentioned that the Division is surveying counties as to whether they have other funds available to address wait lists.

Subsidy Spending-December Services paid in January

- 95.8% of subsidy providers submitted rosters
- \$32M total payment
- Statewide spending coefficient = 91.67%
- Effective January 1, 2010:

In addition to serving priority populations, DCDEE is advising ALL counties to actively process their waiting lists. This includes counties whose spending coefficient is above 100%.

Subsidy Update – Provider Compliance

- 69 random visits
- 16 referrals
- 21 TA visits
- Most of the TA visits were because providers were missing arrival/departure times.

Subsidy Update – Program Compliance

- Evaluates local agencies on eligibility determination
- October to December 2019-7 monitoring visits completed
- Compliance is 95% - 5 of 7 Counties were in compliance, 2 were not.
- Records reviewed = 302

Ms. Schoel requested that that the Commission members in the area be informed when monitoring visits are made.

Regulatory Update

Criminal Background Checks

Waiver granted by Office of Child Care

- Renewed January 2020
- Expires September 30, 2020
- The Child Care and Development Block Grant Act is the grant that authorizes the CCDF program - funds the Subsidized Child Care program, DCDEE's quality initiatives and most of your salaries.
- In order to receive this funding (\$293M), DCDEE must every three years submit a Child Care and Development Fund Plan which tells the Office of Child Care how we use their money. This report is available to federal legislators as well as the public. Our 19-21 plan was approved; however we did have a waiver for year one 18-19 which gave us more time to complete the CBC requirements. We asked for another waiver for 19-20 and the federal government finally approved it.

Early Education Branch Updates

Residency Licenses Data

- 40 NC Pre-K teachers with a Residency License
- All other teachers have either:
 - Other license
 OR
 - Pending license

NC Pre-K Standardized Site Selection Process

- Provided guidance/clarification regarding how frequently the process must be completed

- Clarified the expectations for the Contracting Agency staff, the local NC Pre-K Committee, and the non-conflicted Site Selection sub-committee
- For clarity and ease of use, the site selection documents have been updated
 - training presentations
 - Rubrics
 - site application

The NC Pre-K Child (Application, Eligibility, Enrollment)

- Provided guidance/clarity regarding how children should be prioritized for services (income-eligible children placed first)
- Created template for documenting when families report no income or no documentation of income
- Revised guidance regarding income calculations to now include over-time
- Provided additional clarification regarding how to determine family size
- Added definitions for Social Security income to provide clarity
- Provided additional guidance regarding additional risk factors and how they are defined
- Revised guidance regarding how family size and income are determined when children are in the care of legal guardians and legal custodians
- Added “kinship provider” designation to address how family size and income are determined when children are in the care of an adult who does not have legal custody/guardianship.

New Business

• Update from Subcommittee Researching Corporal Punishment in G.S. 110-106 - Elizabeth Gilleland

At the December 9, 2019 meeting, Chairperson Everhart stated that there is consensus among the Commission on the issue of the Corporal Punishment in G.S. 110-106 issue, and he proposed forming a subcommittee to compose the letter and develop a strategic plan. The subcommittee appointees are as follows:

- Lanier DeGrella
- Sharon Foster
- **Elizabeth Gilleland, leader**
- Mitchell Gold
- Iheoma Iruka
- Charles McDowell
- Kimberly McClure
- Beth Messersmith

Dr. Gilleland stated that the group met twice. During the first meeting, they clarified the charge from the Commission. They determined that the charge is to issue a statement of the position of the Commission on corporal punishment. The main questions concern the current laws around corporal punishment, the historical context, the current scope of practice, what other states are doing, what national organizations have position statements on corporal punishment and a summary of those positions, e.g., American Pediatric Association. The action plan for the first meeting was to gather data to help inform an action plan.

The second meeting involved Dr. DeGrella reporting about her communication with the Division about data addressing these questions. Dr. Gilleland stated that they decided to ask the Division if it would be willing to prepare a formal report on behalf of this subcommittee surrounding questions, such as:

- How many licensed child care centers are there in the State?
- Of those, how many are religiously sponsored?

- Of those religiously sponsored, how many use corporal punishment? Can the Commission see plans?

Ms. Butler-Staub also wants to know how many facilities have been issued abuse/neglect citations.

Dr. DeGrella also wants to include if their plans include restrictions on the policy.

Dr. Gilleland asked if the Commission agrees to ask the Division for this report and if the Division would be willing to write it. The answer to both questions is yes.

Dr. Gilleland asked that the position statements of national organizations with positions on corporal punishment be presented to the Commission.

Ms. Messersmith requested that the Prevent Child Abuse director be included.

Dr. Gilleland discussed the questions surrounding the use of corporal punishment and suggested crafting a survey for the Directors of the 14 facilities that currently use corporal punishment to understand what they are doing. e.g., What are their definitions of corporal punishment? Ms. Tammy Barnes stated that she and Interim Director Snuggs will discuss whether a survey is necessary, or if it will suffice to analyze the facilities' current policies. A discussion ensued about what information could be gained with a survey.

Mr. Melton stated that he thought the purpose of the subcommittee of the Commission is to state the position of the Commission. Dr. Gilleland stated that is correct and the goal is to draft a letter asking for a repeal to the section of the law that allows corporal punishment.

Ms. Amber Davis stated that the facilities are not required to provide this additional information, so they might not be willing to participate in a survey.

Ms. Barnes stated that corporal punishment is defined in Rule .1803.

Rev. McDowell recognized a guest in the audience, Ms. Martha Surratt, who was the first person hired at his child care center, and he wanted to thank her for her contribution to the field for 27 years.

Lunch break at 12:00 p.m., meeting reconvened at 1:00 p.m.

1:00 pm-Public Comment

Lauren Hayworth-A Child's World Learning Centers

Ms. Hayworth discussed the need for improving the teacher pipeline. Her centers are frequently confronting issues of staying fully staffed. She wanted to reiterate the importance of confronting these issues and expressed her appreciation for the Commission's commitment to these issues.

Shakeda Muldrow—Project CATCH-Community Action Targeting Children who are Homeless

Ms. Muldrow wanted to thank the Commission for sharing CATCH's concern for the issues surrounding homelessness.

Dr. DeGrella asked Ms. Muldrow if she thinks the child care community is prepared for the needs of the homeless and if there is anything they can be doing to better prepare. Ms. Muldrow stated that CATCH is

currently working with DCDEE on issues surrounding outreach. She stated that outreach is key, as the field needs to know the protocol from the Division.

Rulemaking Discussion as a Result of the Fiscal Note Review

Ms. Alison Keisler explained to the Commission that, in the process of formulating the fiscal note for the published Rules, it was discovered that two Rules (.0713 and .3013) could not go forward for approval because the language in the Rule did not reflect the intent of the Rule. The Regulatory team revised the rule language and will present the revised language to the Commission. The Commission will be asked to vote to publish these revised Rules, so the fiscal note can be approved, the Commission can vote to publish the fiscal note, and the Rules can go forward for public comment.

Ms. Keisler presented the revised language for Rule .0713.

.0713-Staff/Child Ratios for Centers

Commission Action: Chairperson Everhart asked for a motion to vote to publish Rule .0713 with the revised language. Ms. Amelie Schoel motioned to publish. Dr. Lanier DeGrella seconded. The motion carried unanimously.

Ms. Davis presented the revised language for Rule .3013.

Dr. DeGrella asked that “credential” be re-added after CDA.

Mr. Coffenberry commented about his concern with the word “shall” being included surrounding requiring 6 semester hours per year without exceptions.

Interim Director Snuggs stated the 6 hours was already required; the change to the Rule was the CDA credential exception in public schools for TAs with experience allowed by No Child Left Behind. Vice Chairperson Rivers asked for the distinction between the CDA Credential and the 6-hour Requirement. Interim Director Snuggs clarified that the CDA hours will not always be counted by Community Colleges.

.3013-NC Pre-K Teacher Assistant Education and Credentials

Commission Action: Chairperson Everhart asked for a motion to vote to publish Rule .3013 with the revised language along with adding “Credential” after CDA. Vice Chairperson Rhonda Rivers motioned to publish. Dr. Elizabeth Gilleland seconded. The motion carried unanimously.

Review of Fiscal Note

Fiscal Note-Rachel Kaplan/Dedra Alston

Dr. Rachel Kaplan summarized for the Commission the estimated costs of the Rule changes per the fiscal note draft.

The quantifiable costs are estimated to be approximately \$1.132 million over five years; the costs are largely those of child care centers and family child care home operators and child care staff time to implement administrative, operational and personnel policies.

The benefits to child care facilities are in the form of staff time and cost savings. Rules .1106 and .1703 benefit the staff by allowing them to count TA for existing ongoing training requirements leading to cost savings and enhanced training. Changes to outdoor space requirements may also reduce land costs or provide more flexibility in the use of space.

.0102 DEFINITIONS

The change to the Teacher Aide definition removes the stipulation that they be monetarily compensated and allows them to be uncompensated. The purpose of this definition is to allow teacher aides that are at least sixteen but less than eighteen years old the opportunity to gain child care experience by working under someone who meets all qualifications. “Monetarily compensated” was removed during discussion of this definition, because the issue the Commission was trying to address had no impact on whether a person is compensated. While, this change could potentially have an impact, it would be minimally beneficial to center owners, as there are very few TAs that would not be compensated.

.0701 HEALTH STANDARDS FOR CHILD CARE PROVIDERS, SUBSTITUTE PROVIDERS, VOLUNTEERS, AND UNCOMPENSATED PROVIDERS

To meet ADA federal requirements, the rule is amended to say the medical report must be completed prior to employment rather than within 60 days of employment. Language is also included that the medical information must also be maintained separately from the personnel file which is a new requirement. New prospective staff will continue to incur the cost of obtaining their health records prior to employment per G.S. 90-411 and is typically at the employee’s cost, which is estimated at approximately \$15 per request. This estimate assumes a minimum fee of \$10 and copy charges of \$0.75 for the first 25 pages per G.S. 90-411. Maintaining this information in a separate file could cost administrative time, for both organizing this and material cost. It should take the administrator an estimated time of 1 hour to create the separate medical file for employees at a cost of approximately \$23.89 per hour. This would be a one-time cost of \$105,546 for the existing 4,418 centers.

.0713(f) STAFF/CHILD RATIOS FOR CENTERS

The proposed rule change for Rule .0713 Staff/Child Ratios for Centers is the result of the repealing of Rule .0712 for centers with a licensed capacity of fewer than 30 children. The Commission decided to combine Rules .0712 and .0713, which removed a distinction between centers that served fewer than 30 and more than 30 children. In doing that, the multi-age group restrictions for the centers with more than 30 children were then applied to everyone, inadvertently disallowing centers currently serving multi-age 0-3 classrooms to operate. To correct this issue, language has been added to Rule .0713 that specifically allows centers that group children ages 0-3 in multi-age groups to operate as they currently operate according to a Head Start model, which supports the multi-age groups with a lower ratio. This is reflected in the new rule language, as well as the ratio chart for multi-aged groups 0-3 years of age.

.1103 ON-GOING TRAINING REQUIREMENTS

This rule is amended to allow technical assistance to count toward annual ongoing training requirements at a ratio of 3hrs:1hr under certain conditions. There are anticipated beneficial impacts for both staff and administrators by reducing the total number of annual combined training and TA hours for staff and administrators who participate in this option. Participants will save staff time as well as training expenses. An average 2-hour training is a saved cost of \$12 and the cost saving of time would be \$16.57 per hour for lead teachers and \$23.56 per hour for administrators.

.1106 DOCUMENTATION OF TRAINING

The newly stated requirements for documenting the countable TA would have a fiscal impact based on the administrative costs and responsibilities. It is estimated that there will be 1 hour of administrative time for Preparation, Documentation, and Filing per facility; with an average administrator cost of \$23.89 per hour,

the fiscal impact is estimated to be \$91,000 annually for the 3800 facilities who are 3-5-Star licensed child care centers.

.1402 OUTDOOR SPACE

Prior to 2017, the rule required 75 sq. ft. for half of the capacity. The suggested change is 75 sq. ft. for the children using the space. For facilities that choose to remain a one-star facility and/or operate with a notice of compliance, this change would have positive fiscal impact for child care providers as they would not need as much space for outdoor play. The beneficial impact is unknown. Despite being able to calculate an average cost of land per square foot, the increased amount of outdoor space each facility may have is uncertain and will vary from each facility to the next. Therefore, the total benefit to the facilities is uncertain.

.2703(f) CRIMINAL HISTORY RECORD CHECK REQUIREMENTS FOR CHILD CARE PROVIDERS

The option for provisional qualification allows child care providers who moved to North Carolina within the last five years to become provisionally qualified if they comply with the out of state requirement. This is a benefit to providers and staff who are provisionally qualified could work. Rule language was added to clarify the expectations that follow the issuance of a provisional criminal background check letter and what happens if they do not follow the requirements. The expectations of an individual with a provisional qualification letter have not changed. However, language was added to clearly state that the applicant is responsible for completing and submitting documentation to their former state(s) to request an out of state background check and if an individual does not follow through with the stipulations outlined upon receipt of the provisional qualification, that individual will be disqualified. This rule change could increase the number of disqualifications. As of November 2019, there are currently 3,576 provisionally qualified child care staff, 190 of which were disqualified for failing to follow through with the process, consenting to an out of state background check. In these cases, there is a potential cost to providers, as they must incur the costs of hiring a new teacher.

.2809 ENHANCED SPACE REQUIREMENTS

This change to the rule language to ensure the enhanced outdoor space requirements for all centers were not less stringent than the minimum outdoor space requirements in Section .1402. Facilities have continued to operate under the 2017 outdoor space requirement of one hundred square feet for half of the facilities license capacity. The revised rule language changes the square footage requirement to 75 square feet for “one third of the facilities capacity”. The difference in square footage is estimated to be 1850 square feet, which would be able to be utilized for other purposes by the childcare facilities. While it is possible that existing childcare centers could utilize the additional square footage with temporary buildings to create more classrooms and serve more children, it is expected that the greatest impact will be on future facilities. Using an estimate of average cost of land of \$105 multiplied times the difference in required squared footage would result in a cost savings of \$194,250 for future childcare centers.

.2903 STAFF QUALIFICATIONS

.3012 NC PREK TEACHER EDUCATION, LICENSURE, AND CREDENTIALS

The Division of Child Development and Early Education was required to change licensure requirements in the Child Care Rules to align with the North Carolina Department of Public Instruction’s (DPI) new alternate pathway to becoming a professional educator by obtaining a Residency License, as required by G.S. 115C-270.20. The Residency BK License is intended to replace the Lateral BK License through a phase-out process and the Emergency BK License was also added as an option. The cost of this new licensure structure will be substantial as the annual cost to maintain licensure is \$100 with the one-time cost of \$300 for the assessment; however, if any of the requirements were not met, an additional \$100 is incurred to redo any requirement. Therefore, the cost of the initial license is at minimum \$400 with an annual cost of \$100 thereafter. Currently, it is estimated that 88 Residency licenses will be issued during 19-20 school year, costing an estimated \$35,200 for this year followed with \$8800 annual costs thereafter.

The Emergency License is a one-year, nonrenewable license that provides an optional pathway to Residency Licensure. The Emergency License allows qualified individuals to obtain employment while meeting most but not all requirements to convert to a Residency License. The emergency license is non-renewable and costs \$100. It is estimated that there will be a total of 62 Emergency Licenses issued during the 19-20 school year, costing an estimated \$6,200.

.1703 ON-GOING REQUIREMENTS FOR FAMILY CHILD CARE HOME OPERATORS

The rule is amended to allow technical assistance to count toward annual ongoing training requirements at a ratio of 3hrs:1hr under certain conditions. The newly stated requirements for documenting the countable TA would have a fiscal impact based on the administrative costs and responsibilities. It is estimated that there will be 1 hour of administrative time for Preparation, Documentation, and Filing; with an average administrator cost of \$23.89 per hour per facility, the fiscal impact is estimated to be \$27,000 annually for the 1130 facilities who are licensed as 3-5-Star FCCHs.

.1721 REQUIREMENT FOR RECORDS

Language added to clarify the medical action rules and when to update them. Corrections were made to rule to match the child care center rules. Family child care homes are already updating a child's medical action plan on an annual basis and this impact is only related to filing the changes a parent provides. An estimated cost of filing the updated action plan over five years is: \$87,200 based on all 1421 FCCHs potentially utilizing 30 minutes at \$23.89/hr. This estimate is extremely conservative, as 1) every child doesn't have a medical action plan 2) all will not have changes that occur within the year. The rule already requires updates annually and therefore that piece is not part of this impact.

.1730 ACTIVITIES INVOLVING WATER

Language added to rule and added new language about documentation. "The policies shall be reviewed with additional caregivers and substitute providers prior to caring for children participating in aquatic activities." An estimated cost of \$33,947 is estimated annually for the 1421 FCCHs at an average cost of \$23.89/hr.

Mr. Gold asked if the Commission members feel they can talk to the person who appointed them to the Commission. Several of the members stated they speak to their appointer often.

Dr. Gilleland reminded him that if a member does speak to the appointer, he/she must speak as a private citizen, not in the capacity of a Commission member.

Chairperson Everhart adjourned the meeting at 1:42 p.m.

**The next meeting of the North Carolina Child Care Commission is scheduled for
April 20, 2020 9:00 am-3:00 pm (Fourth Quarter Meeting)**