

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

NORTH CAROLINA CHILD CARE COMMISSION

**Third Quarter Meeting
Monday, March 20, 2017**

Dix Grill
1101 Cafeteria Drive
Employee Center
Raleigh, NC 27603

Commission Members Present

**Glenda Weinert, Chairperson
Jonathan Brownlee, Sr.,
Elizabeth Gilleland
Brooke King
Kay Lowrance**

**Laurie Morin
Linda Vandevender
Amelie Schoel
Donnette Thomas
William Walton, III**

Commission Members with an Excused Absence

**Zac Everhart, Vice Chairperson
Elliott Blades
Charles F. McDowell, III**

**Lisa Humphreys
Melanie Gayle**

Division of Child Development and Early Education Staff Present

**Tammy Barnes, Regulatory Services
Janice Fain, Administration/Policy
Dedra Alston, Administration/Policy
Rachel Kaplan, Administration/Policy
Andrea Lewis, Regulatory Services
Lorie Pugh, Regulatory Services**

**Laura Hewitt, Regulatory Services
Kimberly Mallady, Regulatory Services
Cindy Wheeler, NC Pre-K
Heather Marler, Workforce
Mary Pat Hicks, NC Pre-K**

Attorney General's Office Staff

Bethany Burgon, Commission Attorney

Alexi Gruber, DCDEE Attorney

Welcome—Chairperson Glenda Weinert called the meeting to order at **9:07 a.m.** and reviewed housekeeping items. Chairperson Weinert read the Conflicts of Interest statement, discussed potential conflicts of interests for Commission members and asked whether there were any conflicts noted for today?

Chairperson Weinert asked for Commission roll call, and Ms. Dedra Alston performed the roll call. Chairperson Weinert noted that Zac Everhart, Elliott Blades, Melanie Gayle, Lisa Humphreys and Charles McDowell requested and received excused absences from today's meeting.

Chairperson Weinert announced that Kristin Weaver has resigned from the Commission, effective upon submission of her letter, and thanked Ms. Weaver for her service.

Approval of January 30, 2017 Special Rules Meeting Minutes

Commission Action: Ms. Elizabeth Gilleland motioned to approve the minutes from the January 30 Special Rules Meeting and Ms. Kay Lowrance seconded. The motion carried unanimously.

Director's Report—Janice Fain, Assistant Director for Administrative Services

Because of the departure of Pamela Shue as Division Director, Janice Fain, Assistant Director for Administrative Services provided the Director's Report/Division Update.

CCDF Implementation Issues -

- *Criminal Records Checks (CRC)*—Due to increased requirements related to CRC from the federal government, DCDEE is working to create an online provider portal to reduce turnaround time and streamline requirements for CRC applicants. In addition to currently examined criminal record registries, sex offender and abuse and neglect registries (national and other states) will be accessed to address new requirements.
- *Professional Development (PD) Blueprint*—UNC-CH FPG Early Learning Network has completed data collection to inform a statewide systemic PD blueprint for NC's early care and education workforce. The final report due date in their contract for this activity has been extended to June 30, 2017
- *Early Childhood Mental Health (ECMH) Awareness*—A technical assistance grant has been provided to NC through the Center of Excellence for Infant and Early Childhood Mental Health Consultation and the Substance Abuse and Mental Health Services Administration. This technical assistance grant with help with the development and implementation of a seamless service delivery approach to integrate infant and early childhood mental health consultation in all early care settings
- *Homeless Children and Families RFA*—DCDEE will be releasing a Request for Application (RFA) seeking a contractor to increase identification of and access to early care and education for young children experiencing homelessness. This contract is expected to be awarded by the end of March and is planned to include research and data collection, technical assistance to providers, a public awareness plan, and family outreach services.
- *Required Training Update*—Health & Safety Training required through the CCDF Reauthorization is due to be COMPLETED by June 30, 2017 (Completion data collected as of March 16, 2017)

Total number of students ordering the NC package	27,161
Total number of students completing at least one of the individual courses inside the package:	21,922
Total number of individual courses completed:	191,769
Total number of students completing the entire NC Package:	1,998
Total number of individual courses completed (some customers complete	192,147

same course more than once):	
Total number of Orders NC Packages:	30,026
Average Passing Test Grade:	93

Legislative Update

DCDEE has completed its final two additional legislatively mandated reports required in the 2016 budget, fulfilling the requirement of completion of four reports.

- **Study Costs and Effectiveness Associated with NC Pre-K Slots** – This report was submitted as due in February 2017. The requirement of the report was to study the costs and effectiveness associated with funding slots for the NC Pre-K program, and not surprisingly, this report showed that State-funded NC Pre-K payments to providers (of all types) do not cover the actual cost of either administering or providing the NCPK program and its services.

Reimbursement rates for the NC Pre-K program have not been substantially adjusted since SFY 2012-13. As such, those rates are due for re-evaluation and the report suggested that the program would benefit from a routine evaluation of costs and reimbursement. The report also suggested that DCDEE follow up with a second study to collect more information on revenues that support NC Pre-K slots, by type of setting. Now that an average cost per slot has been determined of \$9,088 - \$9,197, a deeper analysis of revenues by site type, that are invested in NC Pre-K will assist DCDEE in projecting better reimbursement rates.

- **Study Subsidy Rate Setting** – This report was submitted as due on March 1, 2017. The study was required to analyze how rates are set for the Child Care Subsidy Assistance program, review market rate studies and other alternative methodologies for establishing rates, including any cost estimation models, and to provide information about the pros and cons of each method.

This report was primarily a pilot effort to determine the viability of using a Provider Cost of Quality Calculator (PCQC) methodology to capture the cost of providing quality care. Although the use of the PCQC appears to be a valid method, it did prove somewhat cumbersome, and difficult to recruit providers to participate in, but all in all it is potentially promising.

- **Annual NC Pre-K Evaluation Report** – This additional annual report was submitted as due March 15, 2017. The NCPK evaluation showed similar results as in previous years, that children enrolled in the NCPK program (especially dual language learners) benefit from participating in the program.

Legislative Activity—Governor’s Budget

Governor Cooper has begun the four-part budget process by submitting his requests for the State Budget for SFY 2017-19. His suggestion has been submitted to the legislature, where the budget process will be taken up and the House and Senate will also introduce budget proposals of their own.

Cooper’s budget requested:

- Smart Start— \$15M expansion to increase the State's investment in Smart Start by over 10%. This will provide increased support and flexibility at the local level to all 100 counties to improve early childhood educational outcomes and better prepare children for school. This would be the first State-funded increase to Smart Start since 2008. SB 280, similarly would provide \$12 to NCPC for early literacy efforts.
- Subsidy— \$13M in Year 1 which increases to \$17M total in year 2 to increase market rates in Tier 3 counties, up to 25% of recommended rates and to remove children from waiting list. Provides an additional 2,000 slots for child care subsidy payments for children from low-income working families.
- NC Pre-K— \$12 M in Year 1 which increases to \$24.4M total in Year 2 with the intent of eliminating the NCPK waiting list for enrollment. The increase in funding is intended to serve an estimated 4,668 at-risk four-year olds in high quality pre-kindergarten classes.
- 2 Bills of Interest Filed: 1) SB168—Subsidy Recipients to Cooperate/Child Support Enforcement; 2) SB 280—Early Literacy Initiative/Funds.

Early Education Branch Updates

The national Week of the Young Child will be celebrated April 24-28.

NC Pre-K Regional Meetings were recently held in Burke, Cumberland, Forsyth and Martin counties. Four key topics were discussed at these meetings: 1) Child eligibility (families experiencing homelessness; 2) the execution of local NC Pre-K Committee meetings and documentation of discussions/minutes; 3) reducing and preventing suspensions and expulsion of NC Pre-K enrolled children; and 4) challenges and solutions to meet the NC Pre-K Health Assessment requirements.

The WORKS online portal is currently in its 3rd month of operation. WORKS is used by individual applicants to register and maintain their workforce information.

Subsidy Spending Update:

CCDF Reauthorization Changes -

- 12-Month Eligibility— CCDF Reauthorization now requires at least a 12-month eligibility period for families receiving subsidized child care services, regardless of a parent’s temporary change in employment or participation in education or training. As such, the statute governing child care subsidy assistance eligibility, 10A NCAC 10 .1007 has been changed to reflect that “Eligibility shall be determined initially in accordance with 10A NCAC 10 .0900 and .1000, and annually thereafter unless a change occurs that impacts

eligibility.

- Graduated Phase Out— In addition to the 12-month eligibility period, a graduated phase out of eligibility has been established for families whose income increases to the point that the family income is more than State Eligibility criteria, but at or below 85% of State Median Income. For these families, a graduated 90-day phase out period will occur during which child care subsidy services will continue without adjustment of the parent fee.

Statewide county child care subsidy spending is currently at 101% of available funding. DCDEE and DSS are working with counties to identify unspent funds that may be reverted and reallocated to counties who are at risk for service terminations. Legislative changes to the child care subsidy allocation formula now base county allocations on previous year's spending, resulting in variations in initial allocations. Counties who spent less than 95% of their allocation last year only receive the amount they expended in their initial allocation this year. Only the counties who spent 95% *or more* of their allocation last year were eligible for increased fund allocations this year. There were 30 counties whose initial Non-Smart Start allocation is less this year than last year, because they were spending less than 95% last year; 22 of those counties with reduced allocations are now overspending. Some counties who spent 95% or more last year and received increases are underspending, but reluctant to revert funds because they want to secure increased funds next year.

Questions from Commission:

Mr. William Walton asked when the criminal record check portal is expected to be functioning? Ms. Tammy Barnes stated the goal is July 1st. Ms. Amelie Schoel asked whether accessing the sex offender registry as part of the CRC process was new or already part of process? Ms. Barnes stated that accessing the North Carolina list was already part of the process; however, accessing the national list (or other states' lists) will now be included as well, per the new requirements.

Child Care Subsidy Assistance Updates were provided by Kim Miller.

Ms. Miller provided information about the implementation of the NC FAST system noting that -

- The system activated child care subsidy cases in the pilot counties on the weekend of 3/11-12.
- 95% of the cases (3523) activated successfully, which is what was expected.
- Those cases that did not activate are being examined to determine why they did not activate.
- Strategies to successfully activate the remaining cases are being addressed by the NC FAST team.
- NC FAST will be adding functionality on April 8-9 to ensure that payments to providers are made correctly.
- 4943 vouchers (1 per family) were generated in pilot counties at case activation.
- The NC FAST roll-out and payment schedule remains the same. March services will be paid in April from NC FAST. Phase 1 counties will be paid in May for April services and Phase 2 counties will be paid in June for May services.
- Calls were made to providers letting them know to accept vouchers and complete attendance rosters no later than 5 PM on April 5th.
- Providers were also reminded that an entry must be made for *each child for each day* to be

considered a complete roster and for a payment to be made.

- 93% of providers statewide are enrolled in NC FAST as of 3/14.
- Providers that are not enrolled will be receiving 10-day notices to end services in the month for which payment will be made. Provider can still enroll during their 10-day notice period, which would rescind the termination notices. Phase 1 notices were sent on 3/17.

Child Care Subsidy Policy Updates were provided by Elizabeth Everette.

Ms. Everette provided information on 4 Administrative Letters, nothing that -

- **Administrative Letters #09-16 and #04-16** were revised and reissued on February 15, 2017 and are effective for providers the first month a payment is processed to a provider through NC FAST. Both letters also addressed blended rate policy.

Administrative Letter #09-16 explains that the parental fee will be 75% for the entire certification period when a blended rate is used. Administrative Letter #04-16 also provides explanation about which providers and children will receive a blended rate.

- **Administrative Letter #10-16** was issued on November 21, 2016 and is effective the first month a payment is processed to a provider through NC FAST. This administrative letter addressed many topics including Provider Participation Requirements for the Subsidized Child Care Assistance Program.
- **Administrative Letter #01-17** was issued on January 17, 2017 and is effective the first month a payment is processed to a provider through NC FAST. This administrative letter addressed: Parental Choice Signature; Reporting Absences and Submitting Attendance; Payment Based on Enrollment with Three Exceptions; and Vouchers in the NC FAST Provider Portal.

Curriculum Discussion—Laura Hewitt

Ms. Laura Hewitt referenced packet provided to Commission members which contained Curriculum and Formative Assessment Review Stipulations, as well as a list of Recommended and Not Recommended Curriculum and Formative Assessments.

Chairperson Weinert provided the Commission with time to review the documents. Chairperson Weinert asked Ms. Hewitt how many new curricula were approved, and Ms. Hewitt responded that 34 curricula were submitted—14 were recommended and 20 not recommended for approval. Ms. Hewitt stated that it is DCDEE's recommendation that those from the currently approved list of curricula be grandfathered for approval, meaning that existing programs using them may continue to use them until they adopt a new curriculum; however, programs switching to a new curriculum or new programs must choose from the currently approved list.

Chairperson Weinert asked what the review process was for the 24 curricula already approved, and Ms. Hewitt explained that publishers of the already approved curricula were asked to resubmit their approved curricula for re-review. Of the currently approved curricula, only 12 resubmitted their materials for review, and of those 12, only 7 of the curricula were recommended for approval.

Ms. Hewitt stated that those 7 curricula clearly would be included on the new approved list; however, the 5 that were not approved and the remaining 12 that did not resubmit are recommended to remain on the grandfathered list.

Chairperson Weinert stated that it was her understanding that the 24 that were already approved would remain on list and the review process was only for those that have submitted a request for approval in the interim? Ms. Hewitt stated that the Commission decided to re-review all curricula since revisions were made to the criteria. Race-to-the-Top funds were made available to review curricula, both those on the current list and those on a publisher request list maintained by the Division. Ms. Elizabeth Gilleland agreed with Ms. Hewitt's statement that her understanding had been that all curricula would need to resubmitted for review and approval. Ms. Schoel stated that she thinks all curricula should be required to be resubmitted to remain on the list of currently approved curricula.

Ms. Barnes stated that it was Director Shue's intention that all curricula be re-reviewed. September 26 minutes from the Child Care Commission meeting confirm this statement.

Excerpt from September 26, 2016 meeting minutes below:

Chairperson Weinert asked about the re-review process in terms of whether curricula already approved are going to be re-reviewed according to the new process? Director Shue stated that the purpose right now is to develop a baseline and all curricula should be evaluated on same rubric. Any situations, such as already approved curriculum not being approved by the new process, will be handled subsequently.

Chairperson Weinert agreed with Director Shue but stated that she just wants clarity, she stated that the process will be to utilize Race to the Top funds to review the curricula waiting for review, then to review new and existing curricula as time permits. The findings and recommendations will then be brought back to the Commission to determine next steps.

Ms. Gilleland clarified what "grandfathered" means for this process, and it was explained that those programs that are currently using a curriculum may continue using it if the curriculum is on the grandfathered list. New centers and centers switching to a new curriculum may not use a curriculum on the grandfathered list. Ms. Burgon reiterated the recommendation to include those 5 curricula which were re-reviewed and not approved, as well as the 12 curricula that were not re-reviewed in the grandfathered list so that those programs currently using a curriculum on the grandfathered list may continue to use it, but when these programs change curricula or a new center chooses a curriculum, they must use a curriculum from the currently approved list, which will include the 14 newly approved curricula, as well as the 7 re-reviewed and approved curricula.

Chairperson Weinert stated that an appeals process needs to be discussed for the 5 not-approved curricula, as well as any future appeals.

Commission Action: Ms. Kay Lowrance motioned for continued use of the existing (Pre-2017) approved curriculum list for

programs currently using a curriculum on this list. New providers or existing providers implementing a new curriculum may not use the Pre-2017 list. Ms. Lowrance also motioned for the adoption of the list of newly submitted and resubmitted approved curriculum to become the new list of affective of curriculum approved for all users. Approval of recommended curriculum and formative assessments submitted March 20, 2017.

Ms. Gilleland seconded the motion, which carried unanimously.

Ms. Hewitt discussed the Division’s recommendations for the re-review and appeals process. Ms. Hewitt referenced the handouts which include the process and the letter that will be sent to publishers that may desire to resubmit their curriculum for re-review and potential approval. Ms. Schoel asked if this process should be for all curricula going forward and not restricted to those that are currently resubmitting? Ms. Hewitt will make edits to language in the process and letter and the Commission will vote to approve this proposed language after lunch.

Chairperson Weinert posed the question of how often the curriculum review process should occur, and asked for a motion to adopt a re-review schedule.

Commission Action: Ms. Gilleland motioned for a curriculum review schedule to occur every three years and Ms. Schoel seconded that motion which carried unanimously.

Discussion Regarding Family Child Care Home Inspections—Tammy Barnes

Ms. Barnes referenced the documents provided to the Commission members in the packet titled “Potential Rule-making Petitions Regarding FCCHs and Response from DCDEE March 20, 2017”. Ms. Barnes explained the purpose of the monitoring tool was to talk with operators and develop a plan to monitor the home together. DCDEE Consultants walk through and look in every room in the residence of a FCCH and in vehicles, storage sheds on the property etc. during visits. Ms. Barnes stated that DCDEE is concerned about children safety in family child care homes. This petition states that related to this, the petitioners feel that family child care home providers in NC should not have to give up their 4th amendment right to privacy in order to operate a licensed program. Chairperson Weinert stated to the FCCH providers in attendance that they will have a chance to discuss this issue during the Public Comment period of the meeting.

Lunch break at 11:15 a.m., meeting reconvened at 12:30 p.m.

12:30 p.m. Public Comment

Santea B. Griffin—On behalf of FCCHs (family child care homes) in N.C. Ms. Griffin brought a

petition with over 500 names with comments. Ms. Griffin presented concerns regarding changes to how FCCHs are inspected and Ms. Barnes' presentation of DCDEE's response to the FCCH petition.

Ms. Griffin shared several points with the Commission: 1) her feeling that the Division's portrayal of the number of children in the home at one time is misleading; she stated the importance of considering ratios. 2) she indicated that the Division's portrayal of only 1 annual compliance visit per year is misleading; there are 2-3 visits per year. 3) she stated that Division's portrayal that FCCH are not monitored by anyone other than the Division is misleading; they receive visits from nutrition consultants and technical assistance providers. Ms. Griffin also read a statement of a day in the life of a FCCH, which was distributed to members of the Commission.

Dennette Bailey—Early Educator of Professional Organizations—Forsyth County FCCH Provider--Ms. Bailey stated her concern that a culture has developed where the Division regards providers as potential criminals and her feeling that consultants' treatment of those providers is demoralizing and demeaning.

Monife Baloyun—FCCH's of N.C.—Ms. Baloyun stated her belief that the Division's statistics documenting the number of incidents of certain violations in FCCHs are misleading; she also spoke to the culture of fear that exists among FCCH providers because of this new policy.

Stephanie Hamilton--Early Educator Child Care Education Advocacy Group—FCCH provider, Mecklenburg County—Ms. Hamilton reiterated a concern that FCCH providers' right to privacy has been violated by DCDEE's whole home inspection process.

Carol Williams—ECE teacher/provider--Ms. Williams commented that there is currently a culture of bullying and threats that has been created by the consultants toward FCCH providers; she asked that consultants work with providers and provide information; she feels that instead of providing this assistance, consultants are behaving like sheriffs.

Kevin Campbell—Smart Kids CDC—Staff Qualifications—Mr. Campbell stated that he has spoken at previous meetings about the shortage of child care facility directors that meet both DCDEE education and administrative qualification requirements. He stated that he previously suggested that it be allowed that more than one person can fill the required role(s) and was told that the Commission does not have the authority to permit such a change. However, he presented the statute that supports that the Commission does have authority to set standards surrounding credentials; he also stated that there is no clear definition of "administrative staff". Mr. Campbell shared Statute documentation with Commission members.

Vic Coffenberry—Pitt County NC Pre-K Contract Administrator—CCDF Health and Safety Requirements—Mr. Coffenberry addressed the Commission requesting exceptions for some of the training requirements for child care classrooms in public schools where staff and administrators feel that they have more than met these standards through public school training requirements. Mr. Coffenberry feels that each teacher should not be viewed as a facility and that classrooms in public schools should receive exceptions under the umbrella of the facility, the public school that they

are a part of. Mr. Coffenberry shared documentation of his concerns with the Commission.

Patricia Lord—email comment--Proposed home day care rule changes—Ms. Lord stated her belief that it is unnecessary for FCCH providers to have to lock up items, and that putting them out of reach of children should be sufficient.

Curriculum Re-Review Process Revisited:

Ms. Hewitt presented the Commission with the requested changes to the Curriculum Re-Review Process documents.

Chairperson Weinert asked for a motion to adopt the language provided for the curriculum re-review process.

Commission Action: **Ms. Vandevender made a motion to approve the Curriculum Review Process according to the accepted curriculum review guidelines (DCDEE Curriculum Review Re-Review 2d Draft); Ms. Morin seconded the motion which carried unanimously.**

DCDEE Curriculum Review
Re-Review
2d DRAFT

The following guidelines would serve as parameters for a re-review of curriculum:

1. A letter of intent to request a re-review of curriculum by the Child Care Commission must be submitted to the Regulatory Services Section 45 days from the date on the response letter with the results of the review. The letters will be delivered to the U.S. Post Office on the date of the letter for mailing and a certificate of service dated the same date as the letter acknowledging the receipt date, proper address and postage would be requested from the US Postal Service.
2. Only curricula that were originally submitted for the review process would be eligible for a re-review.
3. The developer/publisher who originally submitted the materials would be the only entity that could submit curriculum materials for a re-review.
4. Instructions for the re-review process, including a copy of the most recent results letter, would be mailed to curriculum publishers that request a re-review. The letter would describe what to include in the narrative to request the review of curriculum as well as the deadline for submitting the narrative and any other materials for re-review.

5. The deadline for submitting letters and materials for re-review would be by [within 120 days of the date of the letter inviting them to re-review].
6. Developers/publishers would be allowed to submit revised and/or additional materials to address criteria that were determined to be unmet.
7. The re-review would consist of a letter from the developer/publisher that describes where and how within the previously submitted materials there is evidence to support specific criteria as being met that were found to be unmet in the 2016 review process. The description of how unmet criteria are addressed in the curriculum must be specific and must refer to specific pages numbers/materials, so that the review committee members can find it easily. The letter should notify publishers that supplemental materials may be submitted as long as the materials are written by the same publisher as the curriculum and as long as the supplemental item is sold or provided with the curriculum to the program or teacher.
8. Commission representatives who were not the persons who completed the original review will review the letter and look at the curriculum materials to re-evaluate the extent to which the original, additional or revised curriculum materials address criteria that were determined to be unmet. Only criteria that were not met will be evaluated in the review process.
9. Results of the re-review would be presented to the Child Care Commission to determine if the original rating for any of the unmet criteria should be changed.

Rule-making Steps Overview—Alexi Gruber, Dedra Alston

Ms. Gruber spoke to clarify an issue of confusion that has been mentioned in various discussions. Ms. Gruber stated that the temporary rule-making process does **not** mean that the rules are temporary and that they will expire. The ‘temporary rule making process’ means that the rules were adopted under the abbreviated notice and hearing requirements (temporary rulemaking) because there was an immediate need for the rules and a requirement that that the agency be able to act more quickly to be in compliance with the CCDBG Act. It is important that Commission members and DCDEE staff share this message with providers, that the training requirements adopted through the temporary rulemaking procedure are **not** going to expire because the temporary rules will be adopted as permanent rules.

Chairperson Weinert clarified that, while the fiscal note has been approved by the Department and the Office of State Budget and Management (OSBM), the Commission will still need to approve it in order for the fiscal note and the proposed rules to move forward.

Ms. Alston noted that the Commission voted to publish the rules package during their January meeting. Today the Commission needs to vote to publish the fiscal note for those rules. Ms. Alston reviewed and distributed the timeline for making the temporary rules permanent.

Per this timeline the Commission will vote to publish the fiscal note today; the rules will be filed

with OAH by Friday, March 24; the rules will be published in the April 17 NC Register; the public comment period will be April 17-June 16 (60 days) and the public hearing will be held on May 8. On June 26, the Commission will formally adopt the rules and fiscal note; the rules will be submitted to the Rules Review Commission (RRC) on June 29; the RRC will review the rules at their August meeting, and the proposed effective date of the rules is September 1, 2017. Commission members are reminded that the temporary rules must be submitted to the RRC by July 14 to remain in effect while waiting for the permanent rules to become effective in September.

Review of Fiscal Note for Rule Changes for Centers, Family Child Care Homes, and Special Programs — Janice Fain

Janice Fain presented the fiscal note developed by the Division describing the impact of the proposed rule changes to the public, local government and state government to the Commission. Chairperson Weinert responded with her concern that child care providers (private providers=public, public school providers=local government) will not be able to absorb the exorbitant amount reflected in the fiscal note for teacher training.

Ms. Fain also presented an alternative option to the presented fiscal impact of adopting these training requirements, which would be for DCDEE to accept the financial penalty of noncompliance with training requirements, which would be up to a 5% reduction in NC's CCDF discretionary award. The discretionary funds provided to the State per year are \$93M, so 5% of that would be a reduction in discretionary funds of \$4.6M per year. Chairperson Weinert responded that this saving for the State (not receiving this reduction in funding) comes at a cost of \$28M to the private sector providers.

Mr. Walton stated his belief that there are additional ways to decrease the cost impacts by decreasing the number of hours of training required. Ms. Gilleland agreed with both Chairperson Weinert and Mr. Walton that the Commission should seek to find ways to decrease training costs and requirements by providing credit for previous education and experience.

Chairperson Weinert asked staff whether the Commission should vote to publish the fiscal note if they know that there is the potential for changes. Ms. Alston responded that the Commission can still vote to publish the fiscal note for public comment, while continuing to work on amending the rules and fiscal note. Ms. Gruber also noted that voting to publish also begins the public comment period, which can help to inform the Commission's thought process. Ms. Alston stated that during the public comment period, the Commission may revisit the rules and fiscal note and make any changes. The final version of the rules and fiscal note will be voted on in June, so the Commission has until June to make any changes that are desired.

HOMEWORK:

Chairperson Weinert asked Commission members to send her any written comments about requested or suggested changes to the rules and fiscal note by April 20, and she will share the compiled recommendations with Division staff to request revisions for the May 8 Special Rules Meeting.

Chairperson Weinert asked for a motion to publish the presented fiscal note:

Commission Action: **Mr. Walton made a motion to vote to publish the fiscal note as presented on March 20, 2017. Ms. Gilleland seconded the motion, which was approved unanimously.**

Review of Previously Discussed Rules

.2800 Voluntary Rated Licenses (.2801-.2812; .2817-.2831)

- .2801 Scope
- .2802 Application for a Voluntary Rated License
- .2803 Program Standards for a Three Component Rated License for Child Care Centers
- .2804 Administrative Policies
- .2805 Operational and Personnel Policies
- .2806 Caregiving Activities for Preschool-Aged Children
- .2807 Parent Participation
- .2808 Night Care
- .2809 Space Requirements
- .2810 Staff/Child Ratios for a Three Component Rated License
- .2811 Education Standards for a Three Component Rated License for Child Care Centers
- .2812 School Age Only Standards for a Three Component Rated License for Child Care Centers
- .2817 Program Standards for a Two Component Rated License for Child Care Centers
- .2818 Staff/Child Ratios for a Two Component Rated License for Child Care Centers
- .2819 Education Standards for On-Site Administrators for a Rated License for Child Care Centers
- .2820 Education Standards for Lead Teachers for a Rated License for Child Care Centers
- .2821 Education Standards for Teachers for a Rated License for Child Care Centers
- .2822 Education Standards for Program Coordinators for a Rated License for Child Care Centers
- .2823 Education Standards for Group Leaders and Assistant Group Leaders for a Rated License or Child Care Centers
- .2824 Education Standards for a Rated License for Administrators for Centers that Provide Care Only to School-Aged Children
- .2825 Education Standards for Program Coordinators for a Rated License for Centers that Provide Care Only to School-Aged Children
- .2826 Education Standards for Group Leaders and Assistant Group Leaders for a Rated License for Centers that Provide Care Only to School-Aged Children
- .2827 Education Standards for Operators for a Rated License for Family Child Care Homes
- .2828 Program Standards for a Rated License for Family Child Care Homes—only substantive change made.
- .2829 Quality Point Options
- .2830 Maintaining the Star Rating
- .2831 How an Operator May Request or Appeal a Change in Rating

Mr. Walton raised the question of whether the Division would allow providers the option of having a one-star rated license, instead of choosing not to participate at all in the Rated License system. Ms. Burgon stated that if this were going to be an option, there would need to be a way to differentiate between a rated one-star license and an opt-out one-star license. Ms. Gruber stated that the Division will research the Statute regarding this requirement, and potential implications, and will report back to Commission.

Chairperson Weinert asked for a member of the Commission to provide a motion to publish Section .2800 Rated License Rules and move Rated License Requirements to Minimum Standards.

Commission Action: **Ms. Schoel motioned to publish the rated license rules and to move rated license requirements to minimum standards. Ms. Vandevender seconded the motion which carried unanimously.**

Ms. Gilleland inquired about the Commission and the Division potentially offering a position on the physical discipline provision allowed in religious-sponsored child care? Staff advised that she raise this issue at the next quarterly meeting and that the issue could be discussed then.

The meeting adjourned at 3:36 p.m.

The next meeting of the North Carolina Child Care Commission is scheduled for May 8, 2017, from 9:00 a.m. – 4:00 p.m. (Special Rules Meeting and Public Hearing)

Future Meeting Dates: June 26, 2017 - Fourth Quarter Meeting
 June 27, 2017 - Special Rules Meeting