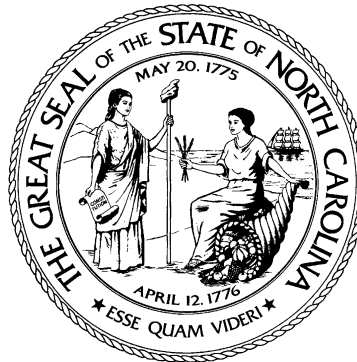


**TASK FORCE ON THE CONSOLIDATION OF
EARLY CHILDHOOD EDUCATION AND CARE**



***REPORT TO THE
2010 REGULAR SESSION OF THE 2009 GENERAL
ASSEMBLY
OF NORTH CAROLINA***

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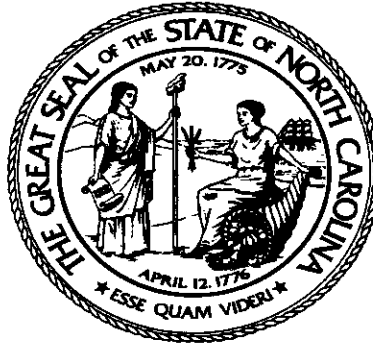
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TABLE OF CONTENTS

LETTER OF TRANSMITTAL.....	1
COMMITTEE MEMBERSHIP.....	2
AUTHORIZING LEGISLATION.....	4
COMMITTEE PROCEEDINGS.....	6
SUMMARY OF COMMITTEE PROCEEDINGS.....	7
COMMITTEE FINDINGS AND RECOMMENDATIONS.....	11
APPENDICES.....	15

STATE OF NORTH CAROLINA

TASK FORCE ON THE CONSOLIDATION OF EARLY CHILDHOOD
EDUCATION AND CARE




April 14, 2010

TO THE MEMBERS OF THE 2010 REGULAR SESSION OF THE 2009 GENERAL ASSEMBLY:

Attached for your consideration is the report of the Task Force on the Consolidation of Early Childhood Education and Care established by Section 10.7A of S.L. 2009-451, The Appropriations Act of 2009.

Respectfully submitted,



Representative Ray Rapp
Co-Chair



Senator Dan Blue
Co-Chair

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The Appropriations Act of 2009 (S.L. 2009-451)

TASK FORCE ON THE CONSOLIDATION OF EARLY CHILDHOOD EDUCATION AND CARE

SECTION 10.7A.(a) Intent. – It is the intent of the General Assembly that not later than July 1, 2010, certain agencies and programs relating to early childhood education and care shall be consolidated.

SECTION 10.7A.(b) Task Force Established. – There is established the Joint Legislative Task Force on the Consolidation of Early Childhood Education and Care (Task Force). The Department of Health and Human Services and the Department of Public Instruction shall work with the Task Force to develop a Consolidation Plan (Plan) to implement the Plan as approved by the 2010 Regular Session of the 2009 General Assembly.

SECTION 10.7A.(c) Task Force Membership. – Appointments to the Task Force shall be as follows:

- a. Three members of the House of Representatives appointed by the Speaker of the House of Representatives.
- b. Three members of the Senate appointed by the President Pro Tempore of the Senate.
- c. Three members appointed by the Governor.
- d. Any additional ad hoc members the Governor deems beneficial to achieve the goals of the Task Force.

Appointments to the Task Force shall be made no later than September 1, 2009.

Vacancies in the Task Force or a vacancy as chair of the Task Force resulting from the resignation of a member or otherwise shall be filled in the same manner in which the original appointment was made.

SECTION 10.7A.(d) Duties of the Task Force. –

- (1) In consultation with the Department of Health and Human Services and the Department of Public Instruction, develop a Plan for a highly coordinated and efficient system of early childhood education and care.
- (2) Not later than January 15, 2010, establish and appoint a transition team to implement the Plan approved by the General Assembly. The transition team shall be responsible for guiding the transition from the multiagency/multiprogram system now in place to a consolidated system and to ensure continuity and quality of existing services to young children, families, and early childhood programs and personnel.
- (3) Adhere to the following principles in the development and implementation of the Plan approved by the General Assembly:
 - a. Ensuring high quality programs.
 - b. Ensuring core functions remain intact.
 - c. Maintaining the strengths and effectiveness of each program.
 - d. Identifying and proposing efficiencies.
 - e. Identifying needed improvements.
 - f. Streamlining administrative savings.
 - g. Promoting a seamless delivery of services from birth through kindergarten.
 - h. Any other principles the Task Force deems relevant.
- (4) Consider the following agencies and functions for consolidation:
 - a. The North Carolina Partnership for Children, Inc.
 - b. The More at Four program.
 - c. Title I Prekindergarten programs.
 - d. Preschool Exceptional Children.

- e. Early Intervention programs.
 - f. Head Start Collaboration.
 - g. Child Care Regulatory and Subsidy.
 - h. Licensing and Regulatory Functions.
 - i. Workforce Professional Development and Recognition.
 - j. Quality Initiatives.
- (5) Consult with appropriate State departments, agencies, and board representatives on issues related to early childhood education and care.
- (6) In developing the Plan, review and consider the proposal included in Ensuring School Readiness for North Carolina's Children: Bringing the Parts Together to Create an Integrated Early Care and Education System, November 2004.

SECTION 10.7A.(e) Chair; Meetings. – The Speaker of the House of Representatives and the President Pro Tempore of the Senate shall each designate one member to serve as cochair of the Task Force.

The cochairs shall call the initial meeting of the Task Force on or before October 1, 2009. The Task Force shall subsequently meet upon such notice and in such manner as its members determine. A majority of the members of the Task Force shall constitute a quorum.

SECTION 10.7A.(f) Expenses of Members. – Members of the Task Force shall receive per diem, subsistence, and travel allowances in accordance with G.S. 120-3.1, 138-5, or 138-6, as appropriate.

SECTION 10.7A.(g) Cooperation by Government Agencies. – The Task Force may call upon any department, agency, institution, or officer of the State or any political subdivision thereof for facilities, data, or other assistance.

SECTION 10.7A.(h) Report. – The Task Force shall report its findings and recommendations by March 15, 2010, to the Joint Legislative Commission on Governmental Operations, the House of Representatives Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, the House of Representatives Subcommittee on Education, the Senate Appropriations Committee on Education, and the Fiscal Research Division. The Task Force shall terminate upon filing its final report.

SECTION 10.7A.(i) Proposal. – After reviewing the report submitted by the Task Force, the House of Representatives Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Education, and the Senate Appropriations Committee on Education shall develop language and a budget proposal by May 30, 2010, to present to the 2010 Regular Session of the 2009 General Assembly to implement the consolidation of early childhood education and care programs, which consolidation shall become effective July 1, 2010.

SECTION 10.7A.(j) Funding. – The Legislative Services Officer shall allocate funds to carry out the duties of the Task Force.

SECTION 10.7A.(k) Effective Date. – This section becomes effective July 1, 2009. Effective July 1, 2010, the Consolidation, as contained in the Plan approved by the 2010 Regular Session of the 2009 General Assembly, shall be implemented.

COMMITTEE PROCEEDINGS

The Task Force on the Consolidation of Early Childhood Education and Care held 5 meetings.

December 14, 2009

Review of Task Force Charge and Relevant Legislation

Lisa Wilks, Bill Drafting Division

Presentation on Early Childhood Education and Care programs

Lisa Hollowell and Brian Matteson, Fiscal Research

Review of the November 2004 Proposal entitled "Ensuring School Readiness for North Carolina's Children: Bringing the Parts Together to Create an Integrated Early Care and Education System"

Richard M. Clifford, Frank Porter Graham Child Development Institute, UNC-CH

January 20, 2010

Local Perspectives

Pam Dowdy, Wake County Smart Start

Sheila Hoyle, Southwestern Child Development Commission

Eva Hansen, President, Partnership for Children of Cumberland County

Follow-up from Frank Porter Graham Child Development Institute

Richard M. Clifford, Frank Porter Graham Child Development Institute, UNC-CH

February 18, 2010

North Carolina Association of County Directors of Social Services

David Atkinson, Director, Carteret County Department of Social Services

Glenn Osborne, Director, Wilson County Department of Social Services

Della Sweat, Director, Hoke County Department of Social Services

March 10, 2010

North Carolina's Early Childhood Leaders

Sheila Hoyle, Southwestern Child Development Commission

John Pruette, Executive Director, North Carolina Office of School Readiness, DPI

Deborah Cassidy, Director, Division of Child Development, DHHS

Stephanie Fanjul, Executive Director, North Carolina Partnership for Children

Sue Russell, President, Child Care Services Association

April 14, 2010

Presentation of Draft Task Force Report and Recommendations

Lisa Hollowell and Brian Matteson, Fiscal Research

SUMMARY OF COMMITTEE PROCEEDINGS

Task Force on the Consolidation of Early Childhood Education and Care December 14, 2009 – 1:00 p.m. – Room 421, Legislative Office Building

Ms. Lisa Wilks provided an overview of the authorizing legislation and Mr. Brian Matteson provided an overview of early childhood readiness programs housed in the Office of School Readiness in the Department of Public Instruction. Mr. Matteson stated that the positions are funded from a variety of non-General Fund sources including lottery monies and federal allocations.

Ms. Lisa Hollowell presented on the Department of Health and Human Services Division of Child Development (Division). Ms. Hollowell provided information about the State appropriations to the Division and the roles of the various Sections of the Division including the Regulatory Section, Workforce Standards Section, the Subsidy Services Section, and the Administration Section. Ms. Hollowell then presented an overview of the Smart Start program including information regarding its budget and its collaboration with other entities to help identify needs and provide services to families. Ms. Hollowell also provided a comparison of various early childhood programs including teacher qualification requirements for the programs. Ms. Hollowell gave an overview of the Early Intervention Program in the Division of Public Health at the Department of Health and Human Services which provides assistance to families of children with special needs from birth to age 3. This part of the presentation included information about the funding and budgeting for the Early Intervention Program.

Dr. Richard Clifford of the Frank Porter Graham Child Development Institute at the University of North Carolina at Chapel Hill presented information on a draft proposal from 2004 to ensure school readiness, provide high quality pre-kindergarten services, and create a seamless delivery program.

There were questions from the Task Force members and discussion around the various issues and presentations.

Task Force on the Consolidation of Early Childhood Education and Care January 20, 2010 – 2:00 p.m. – Room 421, Legislative Office Building

Ms. Pam Dowdy of the Wake County Smart Start provided a local perspective on early childhood education and care. Ms. Dowdy gave an overview of the services they provide in Wake County and stated that they wish to keep the administration of services at the local level for children aged birth through 5. She stated that the existing governance structure worked well in Wake County with strong representation on the Wake County Smart Start Board and strong expertise at the staff level. The Chairman of the Wake County Smart Start Board, David Zonderman, echoed these sentiments and urged the Task Force not to add additional layers to the existing early childhood system and to continue to stress collaboration throughout the entire system.

Ms. Sheila Hoyle of the Southwestern Child Development Commission next presented on the local perspective on early childhood education and care from a region that combined several counties. Ms. Hoyle recommended that encouraging collaboration across the various stakeholders was important and that policies should be developed that create local opportunities to serve the children more effectively. Ms.

Hoyle's Commission has struggled with equity issues for Commission representation purposes because it serves multiple counties.

Ms. Eva Hansen, President, Partnership for Children of Cumberland County presented an overview of that organization. She emphasized the need for public and private sector investment and support and the establishment of reasonable oversight and accountability and the support and capacity building of local entities. Ms. Hanson stated the importance of integrating existing programs, services and funding streams into a flexible and comprehensive system of support for children and families and increasing efficiency, effectiveness, transparency and accountability of both services and use of resources.

Dr. Richard Clifford of the Frank Porter Graham Child Development Institute at the University of North Carolina at Chapel Hill provided follow up comments to his December presentation. Dr. Clifford acknowledged that the current funding streams are quite complex but that a single funding stream is not necessarily better. He stated that North Carolina needs a unified budget that concentrates on services for early childhood education and care.

There were questions from the Task Force members and discussion around the various issues and presentations.

Task Force on the Consolidation of Early Childhood Education and Care February 18, 2009 – 11:00 a.m. – Room 421, Legislative Office Building

The following county social services directors presented a proposal on behalf of the North Carolina Association of County Directors of Social Services (NCACDSS): Mr. David Atkinson of Carteret County, Mr. Glenn Osborne of Wilson County, and Ms. Della Sweat of Hoke County. The discussion included information from Mr. Atkinson about the challenges facing social services agencies, particularly in the area of child care subsidies. Mr. Osborne expressed support for the local partnerships for children. He stated that NCACDSS believes that it is less costly and more efficient for the child care subsidies to be allocated directly to the Division of Child Development in the Department of Health and Human Services which would then send the money to the county Departments of Social Services which then distributes it to families.

There was considerable discussion among the Task Force members regarding the flow of subsidy money through the various entities including the North Carolina Partnership for Children, ensuring access to high quality child care for low income families, and identifying inefficiencies in order to divert money from non-core services and re-direct it to high quality child care so that more families can be taken off of wait lists. The Task Force also discussed the various issues surrounding a moratorium on rate increases for the child care subsidy and the effects of a moratorium on access to high quality child care, particularly for low income families.

Ms. Anne Bryan, Senior Policy Advisor to the Governor for Early Childhood, presented on the North Carolina Advisory Council on Early Childhood Education and Care (ECAC) which was mandated by the federal government to be created in each state by the governor of the state. Ms. Bryan gave an update on opportunities for federal funding to improve collaboration and coordination among early childhood programs and services. The ECAC will help lead those efforts to obtain the federal funding but all perspectives will be considered in the development of a State plan. The Governor intends for More at Four, Smart Start, the North Carolina Partnership for Children and

other flagship programs to be a part of the ECAC. The Task Force was reminded that the ECAC is still a "work in progress" by Rep. Rapp.

Ms. Susan Parker of the Wilson County Department of Social Services commented that private rate costs for child care centers must also be taken into account and how private rates affect subsidy rates and vice versa.

There were questions from the Task Force members and discussion around the various issues and presentations.

Task Force on the Consolidation of Early Childhood Education and Care March 10, 2009 – 3:00 p.m. – Room 421, Legislative Office Building

Mr. Brian Matteson with the Fiscal Research Division presented the overall budget allocations for early childhood programs in the State which provided that almost \$1.1 billion dollars of federal and State money is spent in this area.

Co-Chair and Representative Ray Rapp provided information on the Early Childhood Leaders' Work Group which had been meeting for eight months and included individuals from the North Carolina Division of Child Development, the North Carolina Partnership for Children, the Office of Early Learning, the Head Start Collaboration Office, the Child Care Services Association, and the North Carolina Childcare Resource and Referral Council.

Ms. Sheila Hoyle presented an overview of the key partners and background for the recommendations.

Mr. John Pruette, Director of the Office of Early Learning, presented on the efficiency recommendation regarding the restructuring of More at Four payments and that the Department of Public Instruction is in agreement with making efficiency changes. Mr. Pruette also presented the efficiency recommendation on consolidated regulatory functions.

Dr. Deb Cassidy, Director of the Division of Child Development at the North Carolina Department of Health and Human Services, discussed the efficiency recommendation on consolidated payment functions. Although a dollar amount for projected savings is not available, the other states that have implemented similar programs have realized significant savings. It is expected that the system would be in place by mid-fall of 2010. Dr. Cassidy next presented on the consolidated teacher education evaluation efficiency recommendation that would provide for a single portal for transcript review.

Ms. Stephanie Fanjul, President of the North Carolina Partnership for Children, presented on the efficiency recommendation of child care health consultants and the benefits of a Statewide network of these consultants.

Ms. Sue Russell, President of the Child Care Services Association, stated that the recommendations would take about four years to implement. She also reviewed the approach of the Work Group in formulating the recommendations and identified the key elements of successful implementation of the recommendations.

There were questions from the Task Force members and discussion around the various issues and presentations.

**Task Force on the Consolidation of Early Childhood Education and Care
April 14, 2010 – 3:00 p.m. – Room 421, Legislative Office Building**

The Committee discussed and adopted the final report as well as the meeting minutes.

COMMITTEE FINDINGS AND RECOMMENDATIONS

After hearing the testimony of experienced practitioners, academic experts and staff, the members of the Task Force offer a series of recommendations to strengthen and improve North Carolina's Early Childhood Education and Care program. They are as follows:

- 1. Early Childhood Programs Should Eventually Be Administered Under a Single Entity.** While recommendations 2-6 address specific components of the Early Childhood Education and Care statewide effort, the Task Force emphasizes that its overriding goal is the creation of an exemplary seamless Birth-Kindergarten program. The other steps recommended by the Task Force are designed to be interim steps towards the implementation of a consolidation of Early Childhood Education and Care programs to be housed in a single agency. Given the current economic challenges facing all of State government and time constraints in meeting the Task Force's legislative charge, the Task Force believes that implementing such a transformation by July 1, 2010 is not feasible.
- 2. The North Carolina Department of Public Instruction (DPI) Should Restructure More at Four Payments to Local Contractors.** Currently DPI's payment system to local contractors is based on a monthly reimbursement system with slightly differentiated rates for individual counties or regions. Those rates recognize the variable cost of pre-Kindergarten services in different parts of the State but are not specifically calibrated to reflect the mix of services provided in private settings versus care in public school settings. DPI's Office of Early Learning (OEL) has initiated a proposed change to the rate structure for consideration by the State Board of Education (SBE).

The new structure would reimburse slots filled by private providers at a higher rate than those filled by public providers. The differential would reflect the higher cost of service in private settings, as these entities do not benefit from the same economies of scale and shared overhead costs found in public school settings. Currently, approximately 70% of More at Four slots are found in public settings. Under the proposal, slots in a Head Start setting would be reimbursed at an annual rate of approximately \$3,000, while other public school slots would be reimbursed at an annual rate of approximately \$4,300. Private sector slots would be reimbursed at an annual rate of approximately \$6,300 to reflect the higher cost of providing quality care in those settings.

With a better targeted reimbursement system, OEL believes that it can reduce the percentage of per-slot funding allowed to be set-aside for administrative purposes. The proposal would cap administrative rates at 3.5% for public school contractors and 8% for private sector contractors. OEL believes that this reduced set-aside should result in approximately \$5 million in additional resources to serve additional children or enhance rates. This proposal does not require legislative action and the Task Force encourages the SBE to promptly consider and approve the plan.

3. **The Division of Child Development (DCD) in the North Carolina Department of Health and Human Services (NCHHS) Should Partner with Other State, Private and Local Entities to Implement a Consolidated Electronic Benefits Transfer (EBT) System.** The EBT is on track for initial implementation within the year; this request encourages the More at Four program to become part of this system for payment purposes. The Task Force also recommends that the North Carolina General Assembly adopt the legislative proposal, 2009-LUz-159 (Appendix II), facilitating the implementation of the EBT system and requiring all end users to document any savings related to its implementation.

4. **DPI and NCHHS Should Consolidate the Regulatory Oversight of More at Four Services Provided in a Private Sector Setting.** DCD provides regulatory oversight of every private childcare setting in support of its star-rating system, as well as those public settings that request DCD oversight. Meanwhile, OEL also performs similar oversight functions of those private settings receiving More at Four funding. OEL and DCD have forged an agreement for DCD to monitor private sites for compliance with More at Four program requirements. OEL would train DCD licensing consultants on oversight procedures related to issues like curriculum review or teacher qualifications. DCD would add More at Four oversight to its existing regulatory review.

The Task Force believes that this consolidation would yield multiple benefits. It would reduce duplication, limiting the number of formal oversight visits received by providers. Fewer redundant visits should result for higher quality service to children. Additionally, with DCD integrating some of the More at Four oversight into its purview, staff needs at OEL should be diminished. The Task Force does not yet have a formal savings estimate for this action, but believes there will be some net administrative savings realized.

Task Force recommends that NCHHS and DPI execute a Memorandum of Understanding by July 1, 2010 to initiate the new oversight approach with a goal of full implementation by January 1, 2011. There would be either an elimination of some positions within OEL or a Type-1 budget transfer of funds and positions from OEL to DCD and may be handled within the budget process. The Task Force also recommends that the North Carolina General Assembly adopt the legislative proposal, 2009-LUz-158 (Appendix III), facilitating this transfer of regulatory oversight.

5. **DPI and NCHHS Should Consolidate the Transcript Evaluation of Early Childhood Educators.** The North Carolina Institute for Child Development Professionals (Institute) currently provides a voluntary centralized service in which certifications are issued based upon educational achievement and training of child care teachers. The Institute has been engaged in system development over the past five years and has certified over 8,500 teachers and family childcare providers

through a pilot process. This represents one-fourth of the early childhood educators' workforce.

The certification involves review of the applicant's transcript and training and applying standards to the achievement levels and creates the standardization of the certification process. This recommendation of the Task Force encourages all of the child care teachers and More at Four teachers to use this service and that this certification become the standard for early childhood educators and used by employers, TEACH program, and WAGE\$ program in lieu of reviewing actual transcripts and other training documents.

- 6. Smart Start and DCD should Leverage Additional Federal Funding for Child Care Health Consultants.** The Task Force recommends that the Department of Health and Human Services, Division of Public Health and Division of Medical Assistance, should review the child health consultant services and all services provided by the North Carolina Partnership for Children to determine if there are programs or services that would qualify for Medicaid funding.
- 7. An Annual Consolidated Report for All Major Early Childhood Programs Should be Created.** In considering a portfolio of programs under its purview, the Task Force discovered that nearly \$1.1 billion in State and Federal resources are invested in programs providing early care and education services (Appendix I). Given the substantial nature of this investment, the Task Force believes that a unified annual report is crucial for the public to understand the true breadth of services provided and to have a one-stop place to review critical program performance information. Additionally, the Task Force would like to have reported the number of individuals who apply for services (child care subsidies and More at Four programs) but are denied due to budget constraints; this provides information on the unmet needs in a particular year. The Task Force recommends that the North Carolina General Assembly adopt the legislative proposal, 2009-LUZ-160 (Appendix IV), directing the submittal of this report by DPI, NCHHS and the North Carolina Partnership for Children.
- 8. The NC General Assembly Should Create a Joint Legislative Study Committee on the Consolidation of Early Childhood Education and Care.** The Task Force's deliberations were unprecedented in the manner in which issues across the early childhood continuum were studied in an integrated fashion. The North Carolina General Assembly's committee structure has, in some ways, resulted in programs funded through NCHHS being primarily considered by the health and human services appropriations and policy committees. A similar phenomenon has occurred with programs funded through the DPI budget being considered by the education appropriations and policy committees. Given the effectiveness of the integrated review conducted by the Task Force, the Task Force believes that additional joint oversight would prove worthwhile to continue a path to a single unified early childhood education and care program housed under a single entity. The Task Force also believes that additional oversight would yield improved program

coordination and integration, especially in light of the significant gains already facilitated by the Task Force's work. The Task Force recommends that the North Carolina General Assembly adopt the legislative proposal, 2009-LUZ-161 (Appendix V) directing the creation of a Joint Legislative Study Committee on the Consolidation of Early Childhood Education and Care.

- 9. The Proposed Legislative Study Committee on the Consolidation of Early Childhood Education and Care Should Closely Coordinate Its Activities with the Governor's State Advisory Council on Early Childhood Education and Care (ECAC).** The Task Force's recognizes that it is important to ensure that the efforts of the Legislative Study Committee proposed in Recommendation 8 be coordinated with the activities of the soon-to-be-created ECAC. Both bodies are expected to closely examine the functionality and efficiency of North Carolina's early childhood education and care system, so close communication and cooperation will be essential. This cooperation will be especially important with the ECAC's implementation group so that the Legislative Study Committee will have a clear understanding of how the implementation group intends to carry out the ECAC's policy decisions.

APPENDIX I: FUNDING TABLES

FY 2007-10 Investments in Early Childhood Education and Care Programs

(NOTE: Table does not include local contributions, nor the use of certain program funds to match other programs)

Agcy/Div/Program	FY 2007-08 Actual			FY 2008-09 Actual			FY 2009-10 Budget			FY 2008-09 # Participants ^{1,2}
	State	Federal	Total	State	Federal	Total	State	Federal	Total	
<i>Department of Public Instruction</i>										
More at Four	122,043,069	-	122,043,069	162,495,867	-	162,495,867	165,587,961	-	165,587,961	34,291
IDEA (Preschool Exceptional Ch.)	38,700,000	10,088,587	48,788,587	38,695,971	11,034,542	49,730,513	39,110,058	22,379,426	61,489,484	19,819
Head Start	21,549	123,016,214	123,037,763	65,669	123,181,164	123,246,833	70,000	123,170,654	123,240,654	17,564
Title I (Preschool) ³	-	42,095,179	42,095,179	-	43,199,685	43,199,685	-	61,438,771	61,438,771	9,220
Even Start Family Literacy	-	2,110,009	2,110,009	-	1,590,561	1,590,561	-	1,529,191	1,529,191	172
Total, DPI-administered Programs	160,764,618	177,309,989	338,074,607	201,257,507	179,005,952	380,263,459	204,768,019	208,518,042	413,286,061	
<i>Department of Health & Human Services</i>										
<i>Division of Child Development</i>										
Administration and Oversight	6,602,828	12,484,582	19,087,409	6,075,399	14,332,937	20,408,336	6,200,000	14,400,000	20,600,000	N/A
Child Care Subsidy ⁴	92,754,367	278,839,918	371,594,285	73,192,383	341,919,767	415,112,149	57,000,000	347,000,000	404,000,000	152,895
Smart Start ⁵	204,963,927	-	204,963,927	194,381,667	-	194,381,667	180,083,058	-	180,083,058	N/A
<i>Division of Public Health</i>										
Early Intervention ⁴	39,921,867	35,612,313	75,534,180	35,866,452	45,500,807	81,367,259	36,500,000	40,900,000	77,400,000	17,606
Total, HHS-administered Programs	344,242,989	326,936,813	671,179,801	309,515,901	401,753,511	711,269,412	279,783,058	402,300,000	682,083,058	
Total, Early Childhood Investments	505,007,607	504,246,802	1,009,254,408	510,773,408	580,759,463	1,091,532,871	484,551,077	610,818,042	1,095,369,119	

¹More at Four and Title I pre-k programs serve 4-year-olds. IDEA and Head Start serve 3- and 4-year-olds.

²Programs may combine funds, therefore total counts may be duplicated. A rough estimate of the unduplicated number of 3- and 4-year-olds served in 2008-09 is 66,585.

³Title I FY 2009-10 funds are projected, as reported by Local Education Agencies.

⁴FY 09-10 Funds rounded to nearest million and Federal sources include SSBG (\$3.2 m), TANF (\$146.2 m) and CCDF (\$197.4 m). Does not include \$66 million in parent fees or \$51 million from Smart Start.

⁵FY09-10 funding accounts for a \$6,795,035 required reversion. Smart Start also raises funds to support its operations. In FY08-09, it raised \$32 million.

⁶Federal sources include Medicaid (\$28.2m) and Other (\$12.7m)

FY 2009-10 Investments in Early Childhood Education and Care Programs

(NOTE: Table does not include local contributions, nor the use of certain program funds to match other programs)

Agcy/Div/Program	State Funding		Federal Funding			Funding Total
	General Fund	Lottery	State Agency	LEA	Local Grantees	
<i>Department of Public Instruction</i>						
More at Four	80,952,252	84,635,709	-	-	-	165,587,961
IDEA (Preschool Exceptional Children)	39,110,058	-	2,096,180	20,283,246	-	61,489,484
Head Start ¹	70,000	-	175,000	-	122,995,654	123,240,654
Title I (Preschool)	-	-	171,305	61,267,466	-	61,438,771
Even Start Family Literacy	-	-	84,474	-	1,444,717	1,529,191
Total, DPI-administered Programs	120,132,310	84,635,709	2,526,959	81,550,712	124,440,371	413,286,061
<i>Department of Health and Human Services</i>						
Division of Child Development						
Administration and Oversight	6,200,000	-	14,400,000	-	-	20,600,000
Child Care Subsidy ²	57,000,000	-	347,000,000	-	-	404,000,000
Smart Start ³	180,083,058	-	-	-	-	180,083,058
Division of Public Health						
Early Intervention ⁴	36,500,000	-	40,900,000	-	-	77,400,000
Total, HHS-administered Programs	279,783,058	-	402,300,000	-	-	682,083,058
Total, Early Childhood Investments	399,915,368	84,635,709	404,826,959	81,550,712	124,440,371	1,095,369,119

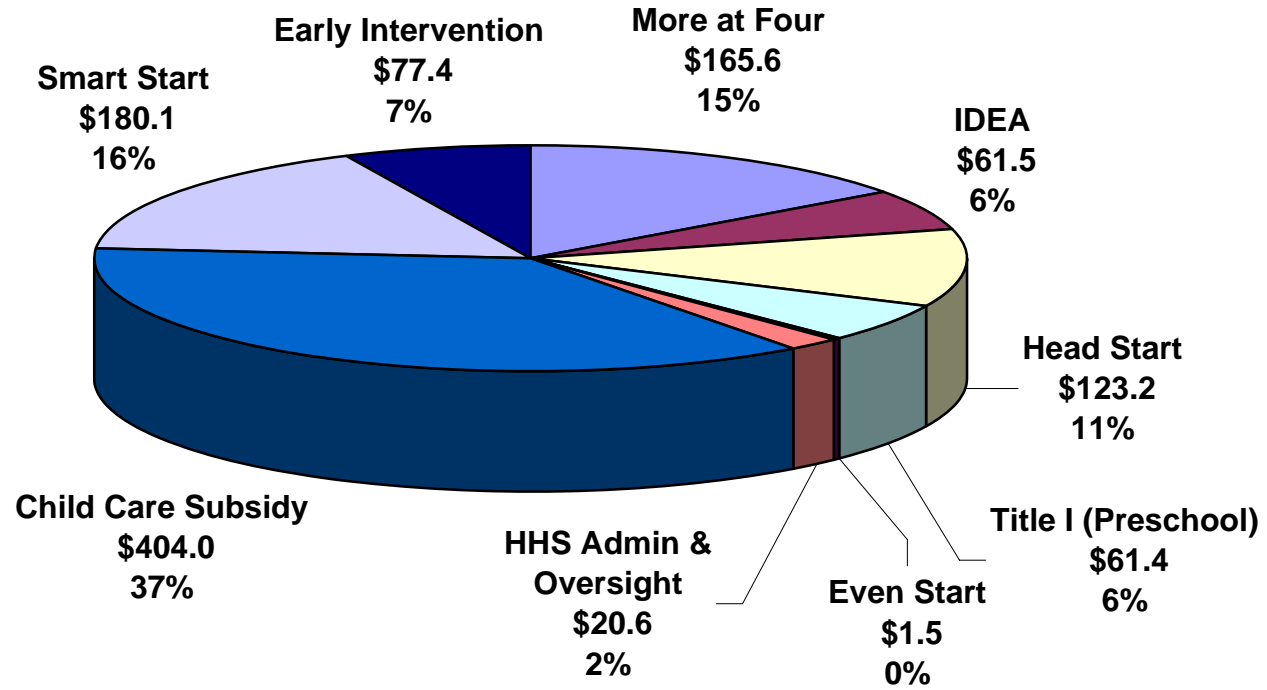
¹Federal funds based on FY 2009-10 projections. FY 08-09 expenditures for IDEA were \$9.85 million and for Title I were \$43.06 million.

²Funds rounded to nearest million. Federal sources include SSBG (\$3.2 m), TANF (\$146.2 m) and CCDF (\$197.4 m). Does not include \$66 million in parent fees or \$51 million from Smart Start.

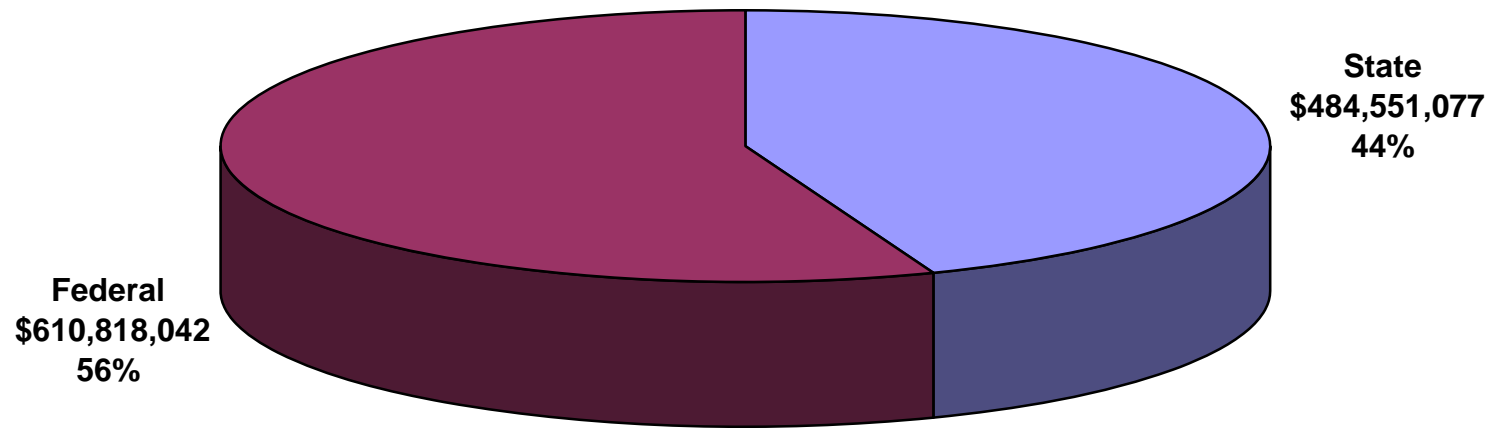
³FY09-10 funding accounts for a \$6,795,035 required reversion. Smart Start also raises funds to support its operations. In FY08-09, it raised \$32 million.

⁴Federal sources include Medicaid (\$28.2m) and Other (\$12.7m)

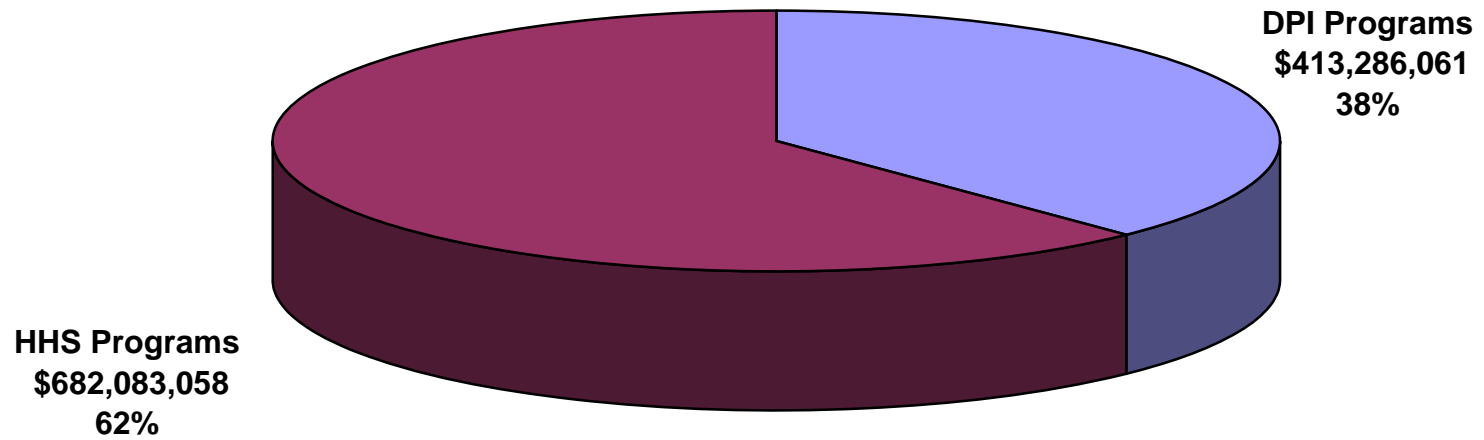
**FY 2009-10 Early Childhood Program Funding
(\$ in Millions)**



**FY 2009-10 Early Childhood Program Funding, By Source
(\$ in Millions)**



**FY 2009-10 Early Childhood Program Funding, By Agency
(\$ in Millions)**



APPENDIX III
GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

H/S

D

BILL DRAFT 2009-LUz-158* [v.5] (04/07)

(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)

4/16/2010 2:25:07 PM

Short Title: Consolidate Regulation/Early Care&Ed Provider.

(Public)

Sponsors: Representative Unknown./Senator Unknown.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT PROVIDING FOR THE CONSOLIDATION OF ALL REGULATORY
3 FUNCTIONS REGARDING THE MONITORING OF PRIVATE EARLY CARE AND
4 EDUCATION PROVIDERS FOR COMPLIANCE WITH THE MORE AT FOUR
5 PROGRAM AS RECOMMENDED BY THE TASK FORCE ON THE
6 CONSOLIDATION OF EARLY CHILDHOOD EDUCATION AND CARE.
7 THE GENERAL ASSEMBLY OF NORTH CAROLINA ENACTS:
8 **SECTION 1.** To consolidate all of the regulatory functions regarding the
9 monitoring of early care and education providers in certain private settings, it is the intent of
10 the General Assembly that the Department of Health and Human Services and the Department
11 of Public Instruction approve Division of Child Development staff to assume the regulatory
12 functions of the More At Four program in private classroom settings. The Department of Public
13 Instruction shall provide Division of Child Development staff with the training necessary to
14 monitor compliance with the More At Four program. The Division of Child Development shall
15 continue its current licensing functions for those classrooms voluntarily licensed in public
16 settings.
17 **SECTION 2.** This act becomes effective July 1, 2010.

APPENDIX IV
GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

H/S

D

BILL DRAFT 2009-LUz-160* [v.6] (04/07)

(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)

4/16/2010 2:26:36 PM

Short Title: Consolidated Report/Early Care & Education.

(Public)

Sponsors: Representative Unknown./Senator Unknown.

Referred to:

- 1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE FOR A CONSOLIDATED ANNUAL REPORT FOR VARIOUS
3 EARLY CARE AND EDUCATION PROGRAMS AS RECOMMENDED BY THE TASK
4 FORCE ON THE CONSOLIDATION OF EARLY CHILDHOOD EDUCATION AND
5 CARE.
6 The General Assembly of North Carolina enacts:
7 **SECTION 1.** The Department of Health and Human Services, the Department of
8 Public Instruction, and the North Carolina Partnership for Children, Inc., shall submit a
9 consolidated report no later than January 1 of each year to the General Assembly that shall
10 include the following:
11 (1) A description of programs and significant services and initiatives.
12 (2) To the extent possible, the number of children served by type of service.
13 (3) The number of individuals who applied and qualified for programs who have
14 never been served.
15 (4) The number of individuals who applied, but did not receive services due to
16 budget constraints.
17 (5) The ages of children on program waiting lists.
18 (6) A cost analysis of the program, including the cost per child served by the
19 program.
20 (7) A detailed explanation of expenditures related to quality enhancement
21 activities, such as the WAGES or TEACH programs.
22 (8) A history of the funding and the previous fiscal year's expenditures.
23 (9) The results of the previous year's evaluations of the Initiatives or related
24 programs and services.
25 (10) A description of significant policy and program changes.
26 (11) A report of any private funds received.
27 **SECTION 2.** This act becomes effective July 1, 2010.

APPENDIX V
GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

H/S

D

BILL DRAFT 2009-LUz-161* [v.3] (04/07)

(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)
4/16/2010 2:27:10 PM

Short Title: Study/Early Childhood Education and Care. (Public)

Sponsors: Representative Unknown./Senator Unknown.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO ESTABLISH THE JOINT LEGISLATIVE STUDY COMMITTEE ON THE
3 CONSOLIDATION OF EARLY CHILDHOOD EDUCATION AND CARE AS
4 RECOMMENDED BY THE TASK FORCE ON THE CONSOLIDATION OF EARLY
5 CHILDHOOD EDUCATION AND CARE.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** Committee Established. -- There is created the Joint Legislative
8 Study Committee on the Consolidation of Early Childhood Education and Care. The
9 Committee shall consist of 10 members to be appointed as follows:

- 10 (1) Five members of the House of Representatives appointed by the Speaker of
11 the House of Representatives.
12 (2) Five members of the Senate appointed by the President Pro Tempore of the
13 Senate.

14 The Speaker of the House of Representatives shall designate one Representative as
15 cochair, and the President Pro Tempore of the Senate shall designate one Senator as cochair.
16 Vacancies on the Committee shall be filled by the same appointing authority making the initial
17 appointment.

18 The Committee, while in the discharge of its official duties, may exercise all powers
19 provided for under G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4. The Committee may
20 meet at any time upon the joint call of the cochairs. The Committee may meet in the Legislative
21 Building or the Legislative Office Building. The Committee may contract for professional,
22 clerical, or consultant services as provided by G.S. 120-32.02.

23 The Legislative Services Commission, through the Legislative Services Officer,
24 shall assign professional staff to assist the Committee in its work. The House of
25 Representatives and the Senate's Directors of Legislative Assistants shall assign clerical staff to
26 the Committee, and the expenses relating to the clerical employees shall be borne by the
27 Committee. Members of the Committee shall receive subsistence and travel expenses at the
28 rates set forth in G.S. 120-3.1, 138-5, or 138-6, as appropriate.

29 **SECTION 2.** Duties. -- The Committee shall continue the work of the Task Force
30 on the Consolidation of Early Childhood Education and Care created under S.L. 2009-451, by
31 continuing to work towards the development of an integrated system of early childhood
32 education and care. To that end, the Committee may consult with and receive reports from the
33 appropriate State departments, agencies, and board representatives on issues related to early
34 childhood education and care and consider any other issues the Committee deems relevant.

1 **SECTION 3.** Report. -- The Committee shall make a final report of its findings and
2 recommendations to the 2011 Session of the General Assembly. The Committee shall terminate
3 on December 31, 2010.

4 **SECTION 4.** Effective Date. -- This act is effective when it becomes law.