

- (7) Be required and described in the contractual agreements approved by the North Carolina Partnership for Children, Inc., or the local partnership.
- (8) Be reported to the North Carolina Partnership for Children, Inc., or the local partnership by the contractor in the same manner as reimbursable expenses.

Failure to obtain a twenty percent (20%) match by June 30 of each fiscal year shall result in a dollar-for-dollar reduction in the appropriation for the Program for a subsequent fiscal year. The North Carolina Partnership for Children, Inc., shall be responsible for compiling information on the private cash and in-kind contributions into a report that is submitted to the Joint Legislative Commission on Governmental Operations in a format that allows verification by the Department of Revenue. The same match requirements shall apply to any expansion funds appropriated by the General Assembly.

SECTION 10.7.(d) The Department of Health and Human Services shall continue to implement the performance-based evaluation system.

SECTION 10.7.(e) The Department of Health and Human Services and the North Carolina Partnership for Children, Inc., shall ensure that the allocation of funds for Early Childhood Education and Development Initiatives for State fiscal years 2009-2010 and 2010-2011 shall be administered and distributed in the following manner:

- (1) Capital expenditures are prohibited for fiscal years 2009-2010 and 2010-2011. For the purposes of this section, "capital expenditures" means expenditures for capital improvements as defined in G.S. 143C-1-1(d)(5).
- (2) Expenditures of State funds for advertising and promotional activities are prohibited for fiscal years 2009-2010 and 2010-2011.

SECTION 10.7.(f) A county may use the county's allocation of State and federal child care funds to subsidize child care according to the county's Early Childhood Education and Development Initiatives Plan as approved by the North Carolina Partnership for Children, Inc. The use of federal funds shall be consistent with the appropriate federal regulations. Child care providers shall, at a minimum, comply with the applicable requirements for State licensure pursuant to Article 7 of Chapter 110 of the General Statutes.

SECTION 10.7.(g) For fiscal years 2009-2010 and 2010-2011, the local partnerships shall spend an amount for child care subsidies that provides at least fifty-two million dollars (\$52,000,000) for the TANF maintenance of effort requirement and the Child Care Development Fund and Block Grant match requirement. The Department of Health and Human Services shall determine the level of funds that need to be expended in order to draw down all federal recovery funds and shall direct the local partnerships to spend at least at the determined level. The local partnerships shall not spend at a level less than that directed by the Department.

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.

ADMINISTRATIVE ALLOWANCE FOR COUNTY DEPARTMENTS OF SOCIAL SERVICES

SECTION 10.10. The Division of Child Development of the Department of Health and Human Services shall increase the allowance that county departments of social services may use for administrative costs from four percent (4%) to five percent (5%) of the county's total child care subsidy funds allocated in the Child Care Development Fund Block Grant plan. The increase shall be effective for the 2009-2010 fiscal year.

INCREASE CHILD CARE LICENSING FEES FOR CHILD CARE FACILITIES

SECTION 10.11. Effective the seventh calendar day after the date this act becomes law, G.S. 110-90(1a) reads as rewritten:

"§ 110-90. Powers and duties of Secretary of Health and Human Services.

The Secretary shall have the following powers and duties under the policies and rules of the Commission:

- ...
- (1a) To establish a fee for the licensing of child care ~~centers-facilities~~. The fee does not apply to a religious-sponsored child care ~~center-facility~~ operated pursuant to a letter of compliance. The amount of the fee may not exceed the amount listed in this subdivision.

Capacity of CenterFacility	Maximum Fee
12 or fewer children	\$ 35.00 \$52.00
13-50 children	\$125.00 \$187.00
51-100 children	\$250.00 \$375.00
101 or more children	\$400.00 \$600.00

...."

MENTAL HEALTH CHANGES

SECTION 10.12.(a) For the purpose of mitigating cash flow problems that many non-single-stream local management entities (LMEs) experience at the beginning of each fiscal year, the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, shall adjust the timing and method by which allocations of service dollars are distributed to each non-single-stream LME. To this end, the allocations shall be adjusted such that at the beginning of the fiscal year the Department shall distribute not less than one-twelfth of the LME's continuation allocation and subtract the amount of the adjusted distribution from the LME's total reimbursements for the fiscal year.

SECTION 10.12.(b) Of the funds appropriated in this act to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, the sum of twenty million one hundred twenty-one thousand six hundred forty-four dollars (\$20,121,644) for the 2009-2010 fiscal year and the sum of twenty million one hundred twenty-one thousand six hundred forty-four dollars (\$20,121,644) for the 2010-2011 fiscal year shall be allocated for the purchase of local inpatient psychiatric beds or bed days. These beds or bed days shall be distributed across the State according to need as