

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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SENATE BILL 1578*

Short Title: Day Care Programs/Funds.

(Public)

Sponsors: Senator Rauch.

Referred to: Appropriations.

June 6, 1990

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS TO INCREASE STATE INVOLVEMENT IN
CHILD CARE AND TO REEXAMINE CHILD CARE FUNDING FORMULAE.

The General Assembly of North Carolina enacts:

Section 1. The Department of Human Resources shall ensure that the funds to match the federal Family Support Act funds to subsidize newly eligible children come from funds within the Division of Social Services and that no funds from within the Division of Facility Services to maintain families in the State purchase of care system are redirected to the Division of Social Services to meet the federal matching requirements.

Sec. 2. There is appropriated from the General Fund to the Division of Facility Services, Department of Human Resources, the sum of \$24,864,000 for the 1990-91 fiscal year to provide day care subsidies for the approximately 14,000 children currently eligible for purchase of care subsidies who are on waiting lists for subsidized child care.

Sec. 3.(a) Effective January 1, 1991, in order to create a reimbursement floor for all children and to establish a minimum level of quality of child care in all areas of the State, the Division of Facility Services, Department of Human Resources, shall develop a statewide market rate for the purchase of care system for each age category based on the average fees paid by families. The Social Services Commission shall establish these rates in determining the minimum allowable cost for child care purchased in centers serving fifty percent (50%) or more subsidized children in every county.

1 (b) There is appropriated from the General Fund to the Division of Facility
2 Services, Department of Human Resources, the sum of \$1,440,440 for the 1990-91
3 fiscal year to implement this section.

4 Sec. 4.(a) Effective January 1, 1991, in order to create a more uniform
5 reimbursement rate system modeled on the federal Family Support Act, the Division of
6 Facility Services, Department of Human Resources, shall:

7 (1) Develop the market rates for the purchase of care at centers serving
8 fifty percent (50%) or more subsidized children at the 75th percentile
9 of fees paid by families for child care in licensed child day care centers
10 in each county; and

11 (2) Develop the market rates for the purchase of care at family day care
12 homes and individual child care arrangements at the 75th percentile of
13 fees paid by families for child care in registered family care homes in
14 each county.

15 The Social Services Commission shall establish these rates in determining the subsidies
16 to be paid.

17 (c) There is appropriated from the General Fund to the Division of Facility
18 Services, Department of Human Resources, the sum of \$2,640,000 for the 1990-91
19 fiscal year to implement this section.

20 Sec. 5. (a) Effective January 1, 1991, in order to consider current family
21 income and to allow more working poor families to participate in the purchase of care
22 system, the Social Services Commission shall increase income eligibility limits for the
23 purchase of care system to include families earning up to eighty percent (80%) of
24 median income, as determined annually and as adjusted for family size.

25 (b) There is appropriated from the General Fund to the Division of Facility
26 Services, Department of Human Resources, the sum of \$6,000,000 for the 1990-91
27 fiscal year to implement this section.

28 Sec. 6. Effective January 1, 1991, to ensure that all families not otherwise
29 exempted pay some portion of their child care costs, but that no family pays more than
30 what it can reasonably afford, the Social Services Commission shall adjust the sliding
31 fee scale so that no fee-paying family pays less than one percent (1%) or more than
32 eight percent (8%) of its adjusted gross income, as adjusted for family size, for full-time
33 child care for one child. No families currently exempt from any fees, including families
34 receiving Aid to Families with Dependent Children, shall be charged any fees pursuant
35 to this section.

36 Sec. 7. (a) Effective January 1, 1991, in order more accurately to reflect the
37 need for child care services at the local level, the Social Services Commission shall
38 replace the existing purchase of care allocation formula with one that is based equally
39 on the three following factors:

40 (1) The county population relative to the State population as a whole;

41 (2) The number of poor children residing in a county relative to the
42 number of poor children residing in the State as a whole; and

1 (3) The number of working women with children under the age of 6
2 residing in the county relative to the number of such women residing
3 in the State as a whole.

4 The Social Services Commission shall maintain the current county allocations in the
5 event allocations to any county would otherwise decrease pursuant to the adoption of
6 the new formula.

7 (b) There is appropriated from the General Fund to the Division of Facility
8 Services, Department of Human Resources, the sum of \$5,000,000 for the 1990-91
9 fiscal year to implement this section.

10 Sec. 8. This act shall become effective July 1, 1990.