

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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SENATE BILL 230*

Short Title: Day Care Rate Change/Funds.

(Public)

Sponsors: Senators Richardson, Forrester, Plexico, and Walker.

Referred to: Children and Human Resources.

February 18, 1993

A BILL TO BE ENTITLED

AN ACT TO CHANGE THE DAY CARE RATE PAYMENT STRUCTURE TO ENCOURAGE THE PROVISION OF QUALITY DAY CARE FOR ALL NORTH CAROLINA'S CHILDREN IN NEED OF CARE AND TO APPROPRIATE FUNDS.

The General Assembly of North Carolina enacts:

Section 1. (a) Rules for the monthly schedule of payments for the purchase of day care services for low-income children shall be established by the Social Services Commission pursuant to G.S. 143B-153(8)a. Requirements for the adoption of these rules include:

- (1) Establishment of a statewide market payment rate calculated as a statewide market rate representing the 75th percentile of all day care rates by type of provider for all ages of children from every county;
- (2) Provision for market rate establishment and payment for counties whose individual market rates are higher than the State market rate; and
- (3) Provision of incentives to provide quality day care by providing payment differentials among day care providers as follows:
 - a. Registered homes and "A"centers - the statewide market rate or the county market rate, whichever is higher;
 - b. Unregistered homes - ten percent (10%) less than the rate for registered homes; and
 - c. "AA"centers - ten percent (10%) more than the rate for "A"centers.

1 (b) In addition to the requirements set by subsection (a) of this section, the
2 Social Services Commission shall, in establishing rules for the monthly schedule of
3 payments, give consideration to the need to maintain the level of care, and the higher
4 cost of this care, that has been established by those providers who have been the
5 recipients of reallocated funds in addition to initial allocations.

6 (c) In order to further the goal of providing quality day care to all of North
7 Carolina's children in need of care, the General Assembly finds that, in the near future,
8 the payment rate structure should consider:

9 (1) Provision of increased rates for "accredited" day care; and

10 (2) Rates for day care providers "at cost", if the providers have their
11 budgets approved by their county day care administrator.

12 Sec. 2. There is appropriated from the General Fund to the Department of
13 Human Resources, Division of Facility Services, Day Care Section, the sum of thirteen
14 million dollars (\$13,000,000) for the 1993-94 fiscal year and the sum of thirteen million
15 dollars (\$13,000,000) for the 1994-95 fiscal year to implement this act.

16 Sec. 3. This act becomes effective July 1, 1993.