

participating employer, (ii) has a household income between one hundred eighty-five percent (185%) and three hundred percent (300%) of the federal poverty level, and (iii) is not otherwise eligible for subsidized child care in this State. An eligible employee may reside outside of the designated region for the respective facilitator hub. Additionally, the regional facilitator hubs shall develop and implement other criteria for the child care program, including, but not limited to, each of the following:

- (1) Ensuring payment for the cost of child care is divided equally between an employer, an eligible employee, and the State.
- (2) Soliciting participating employers.
- (3) Ensuring participating employers agree to (i) identify and recruit eligible employees, (ii) provide the employer portion of each participating employee's child care costs, and (iii) maintain communication with the regional facilitator hub regarding each eligible employee's continued employment and eligibility.
- (4) Verifying that child care providers seeking to participate in the program are licensed in this State.
- (5) Upon determining an employee's eligibility, ensuring payment by the employee of the employee's portion of the cost of child care.
- (6) Coordinating payments between employers and licensed child care providers.

**SECTION 9D.9.(e)** For purposes of this section, child care includes part-time and full-time care, before and after school care, and summer day camps.

**SECTION 9D.9.(f)** A regional facilitator hub may use up to nine percent (9%) of its allocation for administrative costs.

**SECTION 9D.9.(g)** Within six months after completion of the pilot program, the Division shall submit a report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division. The report shall include, at a minimum, each of the following:

- (1) The number of children served, by age and county.
- (2) Total pilot program costs, including any administrative costs.
- (3) The amount of funds needed to expand the program statewide.
- (4) The list of employers participating in the pilot program.
- (5) Any other relevant information deemed appropriate.

## **INCREASE CAPACITY/FAMILY CHILD CARE HOMES**

**SECTION 9D.10.(a)** G.S. 110-86(3) reads as rewritten:

"(3) Child care facility. – Includes child care centers, family child care homes, and any other child care arrangement not excluded by G.S. 110-86(2), that provides child care, regardless of the time of day, wherever operated, and whether or not operated for profit.

a. A child care center is an arrangement where, at any one time, there are three or more preschool-age children or nine or more school-age children receiving child care.

b. A family child care home is a child care arrangement located in a residence where, at any one time, more than two children, but less than ~~nine~~ 10 children, receive child ~~care~~ care, provided the arrangement is in accordance with G.S. 110-91(7)b."

**SECTION 9D.10.(b)** G.S. 110-91(7)b. reads as rewritten:

"b. Family Child Care Home Capacity. – ~~Of the children present at any one time in a family child care home, no more than five children shall be preschool-aged, including the operator's own preschool-age children.~~ A family child care home is allowed to provide care for one of the following groups of children, including the operator's own

preschool-age children and excluding the operator's own school-age children up to 13 years of age:

1. A maximum of eight children, with no more than five children who are from birth to 5 years of age, plus three school-age children.
2. A maximum of three children from birth to 24 months of age, plus three children from 2 to 5 years of age and three school-age children up to 13 years of age, for a total of nine children.
3. A maximum of 10 children if all children are older than 24 months of age."

## **EXTEND COMPENSATION GRANTS FOR CHILD CARE PROGRAMS**

**SECTION 9D.11.** Section 9L.2(b) of S.L. 2021-180, as amended by Section 9L.2(a) of S.L. 2022-74, reads as rewritten:

**"SECTION 9L.2.(b)** Of the funds appropriated in this act from federal Child Care and Development Block Grant funds received pursuant to ARPA to the Department of Health and Human Services, Division of Child Development and Early Education, the sum of five hundred ~~two—three~~ million seven hundred ~~seventy-seven~~ninety-three thousand seven hundred ~~eighty-nine~~eleven dollars (~~\$502,777,789~~)(\$503,793,711) in nonrecurring funds shall be allocated for the following in response to the COVID-19 pandemic:

- (1) Up to two hundred seventy-four million dollars (\$274,000,000) of the funds shall be used as follows:
  - a. A minimum of two hundred six million dollars (\$206,000,000) but no more than two hundred fifteen million dollars (\$215,000,000) to (i) reduce the waitlist for children eligible for subsidized child care who are in foster care and (ii) after addressing the waitlist under item (i) of this sub-subdivision, work toward reducing the waitlist for children eligible for subsidized child care. Additionally, the Division shall use a portion of these funds to ~~temporarily increase the child care subsidy reimbursement rates to those recommended in the 2018 Child Care Market Rate Study until the funds expire on September 30, 2024.~~ extend the compensation grants portion of the child care stabilization grants, as authorized under Section 3.2(a) of S.L. 2021-25, until these funds are exhausted.
- ...
- (3) Up to two hundred seven million seven hundred seventy-seven thousand seven hundred eighty-nine dollars (\$207,777,789) of the funds ~~shall~~may be used to build the supply of qualified child care teachers with staff bonuses and other teacher pipeline programs, including apprenticeships, stackable courses, and fast-track programs. ~~The Division of Child Development and Early Education shall provide staff bonuses under this subdivision based on the number of months the teacher or staff person has worked at the child care facility with the maximum bonus being provided to a teacher or staff person who has worked at least 12 months at the teacher or staff person's current child care facility."~~

## **PART IX-E. HEALTH BENEFITS**

### **CONTINUE MEDICAID ANNUAL REPORT**