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SESSION 2025

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Proposed Conference Committee Substitute H412-PCCS10544-CI-3

Short Title: Child Care Regulatory Reforms.

(Public)

Sponsors:

Referred to:

March 18, 2025

1 A BILL TO BE ENTITLED
2 AN ACT TO MAKE CHILD CARE REGULATORY REFORMS; AND TO MAKE
3 BUILDING CODE REVISIONS.

4 The General Assembly of North Carolina enacts:

5
6 **PART I. DECOUPLE RATED LICENSE AND SUBSIDIZED CHILD CARE**

7 **SECTION 1.(a)** The General Assembly recognizes the need to balance maintaining
8 critical health, safety, and welfare standards for child care, as well as a well-established rating
9 system used for informational purposes, with the need to move toward maximizing State funds
10 for child care and increasing the supply of child care from State-funded sources. The General
11 Assembly further recognizes the importance of weighing the need to decrease the cost of child
12 care through deregulatory actions and at the same time maintain child care subsidy
13 reimbursement rates. The purpose of this provision, in part, is to encourage the business
14 community to partner with the State in achieving this goal.

15 **SECTION 1.(b)** To that end, by May 1, 2026, the Department of Health and Human
16 Services, Division of Child Development and Early Education (Division), shall develop a
17 proposed plan to separate the quality rating improvement system (QRIS) from the requirements
18 and payments for participation in the State-subsidized child care program using the market rate
19 study required by Section 1(c) of this act and make recommendations on implementation of the
20 plan while meeting the federal Child Care and Development Fund requirements including a
21 quality standard measurement. The Division should report any difference in the proposed plan
22 and the current reimbursement rate. The Division shall submit the proposed plan to the chairs of
23 the House and Senate Appropriations Committees, the chairs of the House and Senate
24 Appropriations Committees on Health and Human Services, the Joint Legislative Oversight
25 Committee on Health and Human Services, and the Fiscal Research Division by May 1, 2026.
26 The current plan will stay in full force and effect until such time as the General Assembly first
27 considers and approves and adopts the proposed plan and any amendments to that plan and then
28 the federal government approves the proposed plan and any amendments. The Division should
29 also include an update on the QRIS Modernization rules process under S.L. 2024-34.

30 **SECTION 1.(c)** The Division shall complete a new market rate study by May 1,
31 2026. This market rate study shall be made available to the public by May 1, 2026. The Division
32 shall ensure that the market rate study includes potential rates that are not segmented by



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1 star-rating and new market rates for the QRIS system. The Division shall not implement new
2 reimbursement rates unless approved by the federal Administration of Children and Families and
3 authorized to do so by the General Assembly.

4 **SECTION 1.(d)** Nothing in this section shall be construed as impacting the
5 star-rating requirements for the NC Prekindergarten (NC Pre-K) program.

7 **PART II. REGULATORY CHANGES**

8 **SECTION 2.** G.S. 110-86(5a) reads as rewritten:

9 "(5a) Lead teacher. – An individual who is responsible for planning and
10 implementing the daily program of activities for ~~a group~~ no more than two
11 groups of children in a child care facility."

12 **SECTION 5.(a)** G.S. 110-91 reads as rewritten:

13 **"§ 110-91. Mandatory standards for a license.**

14 All child care facilities shall comply with all State laws and federal laws and local ordinances
15 that pertain to child health, safety, and welfare. Except as otherwise provided in this Article, the
16 standards in this section shall be complied with by all child care facilities. ~~However, none~~
17 Notwithstanding any provision of law or rule to the contrary, any building and grounds which
18 are currently approved for school occupancy and which house a public or private elementary or
19 middle school shall be deemed to have met the space and equipment, sanitation, fire, and building
20 code requirements for a licensed child care facility when the building and grounds are serving
21 the same, or a subset of the same, school-age children in an out-of-school child care program.
22 None of the standards in this section apply to the school-age children of the operator of a child
23 care facility but do apply to the preschool-age children of the operator. Children 13 years of age
24 or older may receive child care on a voluntary basis provided all applicable required standards
25 are met. The standards in this section, along with any other applicable State laws and federal laws
26 or local ordinances, shall be the required standards for the issuance of a license by the Secretary
27 under the policies and procedures of the Commission except that the Commission may, in its
28 discretion, adopt less stringent standards for the licensing of facilities which provide care on a
29 temporary, part-time, drop-in, seasonal, after-school or other than a full-time basis.

30 ...

31 (6) **Space and Equipment Requirements.** – There shall be no less than 25 square
32 feet of indoor space for each child for which a child care center is licensed,
33 exclusive of closets, passageways, kitchens, and bathrooms, and this floor
34 space shall provide during rest periods 200 cubic feet of airspace per child for
35 which the center is licensed. There shall be adequate outdoor play area for
36 each child under rules adopted by the Commission which shall be related to
37 the size of center and the availability and location of outside land area. In no
38 event shall the minimum required exceed 75 square feet per child. The outdoor
39 area shall be protected to assure the safety of the children receiving child care
40 by an adequate fence or other protection. A center operated in a public school
41 shall be deemed to have adequate fencing protection. A center operating
42 exclusively during the evening and early morning hours, between 6:00 P.M.
43 and 6:00 A.M., need not meet the outdoor play area requirements mandated
44 by this subdivision.

45 Each child care facility shall provide indoor area equipment and
46 furnishings that are child size, sturdy, safe, and in good repair. Each child care
47 facility that provides outdoor area equipment and furnishings shall provide
48 outdoor area equipment and furnishings that are child size, sturdy, free of
49 hazards that pose a threat of serious injury to children while engaged in normal
50 play activities, and in good repair. The Commission shall adopt standards to
51 establish minimum requirements for equipment appropriate for the size of

child care facility. Space shall be available for proper storage of beds, cribs, mats, cots, sleeping garments, and linens as well as designated space for each child's personal belongings.

The Division of Child Development of the Department of Health and Human Services shall establish and implement a policy that defines any building which is currently approved for school occupancy and which houses a public or private elementary or middle school to include the playgrounds and athletic fields as part of the school building when that building is used to serve school-age children in ~~after-school-out-of-school~~ child care programs. ~~Playgrounds and athletic fields referenced in this section that do not meet licensure standards promulgated by the North Carolina Child Care Commission shall be noted on the program's licensure and rating information.~~

...."

SECTION 5.(b) The Child Care Commission shall adopt or amend any rules to ensure uniformity and consistency in application of the exemptions for school-age children in out-of-school child care programs as provided in this section.

SECTION 6. G.S. 110-91(7)a. reads as rewritten:

"a. The Commission shall adopt rules for child care centers regarding staff-child ratios, group sizes and multi-age groupings other than for infants and toddlers, provided that these rules shall be no less stringent than those currently required for staff-child ratios as enacted in Section 156(e) of Chapter 757 of the 1985 Session Laws. Each lead teacher shall support no more than two groups. In the circumstance in which a lead teacher is responsible for two groups of children in a child care facility, at least one other individual overseeing the group shall be engaging in the North Carolina Early Childhood Credential coursework or seeking job training with the goal of accomplishing the five-year pathway to seek a future Lead Teacher qualification.

1. Except as otherwise provided in this subdivision, the staff-child ratios and group sizes for infants and toddlers in child care centers shall be no more than as follows:

<u>Age</u>	<u>Ratio Staff/Children</u>	<u>Group Size</u>
0 to 12 months	1/5	10 15
12 to 24 months	1/6	12 18
2 to 3 years	1/10	20.

No child care center shall care for more than 25 children in one group. Child care centers providing care for 26 or more children shall provide for two or more groups according to the ages of children and shall provide separate supervisory personnel and separate identifiable space for each group.

1a. If a child care center is operating under voluntary enhanced requirements, the maximum group size for toddlers aged 2 to 3 years may be increased from 18 to 20 children when the child care center maintains a 1/9 staff-child ratio.

1b. If a child care center is operating under the highest voluntary enhanced requirements, the child care center may use the following maximum group sizes for infants and toddlers when the child care center maintains staff-child ratios as provided herein:

<u>Age</u>	<u>Ratio Staff/Children</u>	<u>Group Size</u>
0 to 12 months	1/4	12

1	<u>12 to 24 months</u>	<u>1/5</u>	<u>15</u>
2	<u>2 to 3 years</u>	<u>1/8</u>	<u>20.</u>
3"		

SECTION 7.(a) G.S. 110-91(8) reads as rewritten:

"(8) Qualifications for Staff. – Qualifications for child care staff are as follows:

- 6 a. All child care center administrators shall be at least 21 years of age.
- 7 All child care center administrators shall have the North Carolina
- 8 Early Childhood Administration Credential or its equivalent as
- 9 determined by the ~~Department.~~Department or the School-Age
- 10 Administration Credential when exclusively providing school-age
- 11 child care. All child care administrators performing administrative
- 12 duties as of the date this act becomes law and child care administrators
- 13 who assume administrative duties at any time after this act becomes
- 14 law and until September 1, 1998, shall obtain the required credential
- 15 by September 1, 2000. Child care administrators who assume
- 16 administrative duties after September 1, 1998, shall begin working
- 17 toward the completion of the North Carolina Early Childhood
- 18 Administration Credential or its ~~equivalent~~equivalent, or the
- 19 School-Age Administration Credential when exclusively providing
- 20 school-age child care, within six months after assuming administrative
- 21 duties and shall complete the credential or its equivalent within two
- 22 years after beginning work to complete the credential. Each child care
- 23 center shall be under the direction or supervision of a person meeting
- 24 these requirements. All staff counted toward meeting the required
- 25 staff-child ratio shall be at least 16 years of age, provided that persons
- 26 younger than 18 years of age work under the direct supervision of a
- 27 credentialed staff person who is at least 21 years of age.
- 28 b. All lead teachers in a child care center shall have at least a North
- 29 Carolina Early Childhood Credential or its equivalent as determined
- 30 by the Department. Lead teachers shall either (i) be enrolled in the
- 31 North Carolina Early Childhood Credential coursework or its
- 32 equivalent as determined by the Department within six months after
- 33 becoming employed as a lead teacher or within six months after this
- 34 act becomes law, whichever is later, and shall complete the credential
- 35 or its equivalent within 18 months after ~~enrollment~~enrollment or (ii)
- 36 have a minimum of five years of documented experience teaching in a
- 37 licensed child care facility in this State which shall be deemed
- 38 equivalent to the North Carolina Early Childhood Credential.
- 39 c. Only administrators and lead teachers in licensed child care centers are
- 40 required to have a North Carolina Early Childhood Credential or its
- 41 equivalent as determined by the Department. All other staff shall meet
- 42 the standards established by the Commission for their positions that do
- 43 not include a North Carolina Early Childhood Credential or its
- 44 equivalent as determined by the Department.
- 45 d. For child care centers licensed to care for 200 or more children, the
- 46 Department, in collaboration with the North Carolina Institute for
- 47 Early Childhood Professional Development, shall establish categories
- 48 to recognize the levels of education achieved by child care center
- 49 administrators and teachers who perform administrative functions.
- 50 The Department shall use these categories to establish appropriate

1 staffing based on the size of the center and the individual staff
2 responsibilities.

3 e. Effective January 1, 1998, an operator of a licensed family child care
4 home shall be at least 21 years old and have a high school diploma or
5 its equivalent. Operators of a family child care home licensed prior to
6 January 1, 1998, shall be at least 18 years of age and literate. Literate
7 is defined as understanding licensing requirements and having the
8 ability to communicate with the family and relevant emergency
9 personnel. Any operator of a licensed family child care home shall be
10 the person on-site providing child care.

11 f. The Commission shall adopt standards to establish appropriate
12 qualifications for all staff in child care centers. These standards shall
13 reflect training, experience, education and credentialing and shall be
14 appropriate for the size center and the level of individual staff
15 responsibilities. It is the intent of this provision to guarantee that all
16 children in child care are cared for by qualified people. Pursuant to
17 G.S. 110-106, no requirements may interfere with the teachings or
18 doctrine of any established religious organization. The staff
19 qualification requirements of this subdivision do not apply to
20 religious-sponsored child care facilities pursuant to G.S. 110-106."

21 **SECTION 8.** Section 8 of S.L. 2024-34 is amended by adding a new subsection to
22 read:

23 "**SECTION 8.(a1)** In modifying the quality rating improvement system (QRIS), the Division
24 of Child Development and Early Education shall ensure a North Carolina Early Childhood
25 Credential based on five years of work experience in a licensed child care facility in this State is
26 treated as equivalent to when that credential is earned through other pathways for purposes of
27 awarding a star-rating."

28 **SECTION 9.** The Weikart Youth Program Quality Assessment ("Weikart Program")
29 shall be added as an assessment tool for evaluating out-of-school child care programs and
30 awarding of a star-rating. The Department of Health and Human Services, Division of Child
31 Development and Early Education, shall complete the necessary crosswalk evaluation of the
32 Weikart Program and have it available for applicants to use not later than one year after the date
33 this act becomes law.

34 **SECTION 10.** Notwithstanding any other provision of law, rule, or regulation, the
35 Department of Health and Human Services, Division of Child Development and Early Education
36 (Division), shall, for courses offered by a community college in the North Carolina Community
37 Colleges System (NCCCS), assign credit for continuing education courses on the same basis as
38 curriculum courses designated by NCCCS as equivalent to the continuing education courses for
39 the purpose of providing any credential offered by the Division.

40 **SECTION 11.** The Department of Health and Human Services, Division of Child
41 Development and Early Education, shall:

42 (1) Not later than December 1, 2025, and in consultation with the North Carolina
43 Community Colleges System, create a North Carolina School
44 Age/Out-of-School Care Credential that aligns with a new curriculum course
45 and continuing education course entitled "Introduction to School Age Care
46 and Education."

47 (2) Award the North Carolina Early Childhood Administration Credential or the
48 North Carolina Family Child Care Credential to individuals who have
49 successfully completed continuing education courses that are equivalent to
50 child care curriculum courses, as determined by the Community Colleges
51 System. The Community Colleges System shall ensure that the continuing

1 education courses are comparable to the corresponding curriculum courses in
2 course descriptions, competencies, and hour requirements and shall state the
3 credential that is to be awarded for each continuing education course.

4 **SECTION 12.(a)** The Commissioner of the Department of Insurance shall establish
5 a workgroup to examine the potential for developing group liability insurance plan opportunities
6 for all child care providers and for all nongovernmental contractors that contract with the
7 Department of Health and Human Services and any county or local agency administering
8 programs of public assistance pursuant to Chapter 108A of the General Statutes for the provision
9 of services to minors which are licensed under Article 2 of Chapter 122C of the General Statutes
10 or Article 1A of Chapter 131D of the General Statutes. The workgroup shall consist of
11 representatives from all of the following:

- 12 (1) The Department of Insurance.
- 13 (2) The insurance industry.
- 14 (3) NC Licensed Child Care Association.
- 15 (4) The Department of Health and Human Services, Division of Child
16 Development and Early Education.
- 17 (5) The American Tort Reform Association.
- 18 (6) Benchmarks NC.

19 **SECTION 12.(b)** The workgroup shall develop findings and recommendations
20 related to at least the following:

- 21 (1) Potential methods for creating group liability insurance plan opportunities for
22 all child care providers.
- 23 (2) Reforms that could reduce group liability insurance plan premiums.
- 24 (3) Tort reforms that could reduce the liability damages of child care providers.

25 **SECTION 12.(c)** By January 1, 2026, the Department of Insurance shall report the
26 findings and recommendations of the workgroup to the Joint Legislative Oversight Committee
27 on Health and Human Services, the Joint Legislative Oversight Committee on General
28 Government, and the Fiscal Research Division.

29 **SECTION 13.** The Child Care Commission shall adopt or amend any rules to ensure
30 uniformity and consistency in application of the provisions of this act.

31 **SECTION 14.** Article 7 of Chapter 110 of the General Statutes is amended by adding
32 a new section to read:

33 "**§ 110-106.3. Exemption for certain Department of Defense family child care homes from**
34 **child care licensure requirements.**

35 (a) The provisions of this Article shall not apply to a family child care home operating in
36 this State and located outside of the boundaries of a military installation if the family child care
37 home has a certificate issued by the United States Department of Defense (DOD) or the United
38 States Coast Guard to provide child care and has completed background screening by the DOD
39 pursuant to 34 U.S.C. § 20351 and 32 C.F.R. Part 86 and received a favorable suitability and
40 fitness determination. This exemption applies to DOD family child care home operators
41 providing child care exclusively to children eligible for care under the DOD Instruction 6060.02.

42 (b) A family child care home seeking to operate pursuant to this section shall register
43 with the Department. The individual at each military installation who provides oversight of
44 family child care homes shall be responsible for registering the family child care home operating
45 under this section with the Department. The Department shall establish and maintain a registry
46 in accordance with this section, and the registry shall be used for the following limited purposes:

- 47 (1) Ensuring the DOD family child care home is fully compliant with all DOD
48 requirements to operate the family child care home.
- 49 (2) Certifying that the following State safety provisions are met for the dwelling
50 unit in which the DOD family child care home is located:

- 1 a. Rooms and areas within a family child care home where occupants
2 receive care are located on the same level of exit discharge.
3 b. Rooms and areas within a family child care home where occupants
4 receive care are located on the same level with, and within a maximum
5 of 40 feet travel distance to, at least one 2A:10B:C fire extinguisher.
6 c. The family child care home has and maintains a Fire Safety,
7 Evacuation, and Lockdown Plan compliant with Section 404 of the
8 North Carolina Fire Code.
9 d. The family child care home has carbon monoxide alarm and detection
10 systems compliant with Section R315 of the North Carolina
11 Residential Code.
12 e. The family child care home has smoke alarms compliant with Section
13 51 R314 of the North Carolina Residential Code.
14 (3) Receiving confirmation from the person operating the DOD family child care
15 home that the family child care home is within the same dwelling unit
16 occupied by the operator.
17 (4) Confirming inquiries regarding a DOD family child care home are directed to
18 the appropriate regulatory authority having oversight of family child care
19 homes for the respective military installation.
20 (c) The regulatory authority having oversight of family child care homes for the
21 respective military installation shall provide the Department with any updates to the registry on
22 a quarterly basis. The regulatory authority having oversight of family child care homes for the
23 respective military installation shall immediately notify the Department when the DOD adds or
24 removes a family child care home operating under this section from the registry or closes a family
25 child care home for cause.
26 (d) A DOD family child care home that meets the requirements of this section shall be
27 exempt from all other requirements of this Article and shall not be subject to licensure.
28 (e) In the event the program's certification as a family child care home operator is
29 suspended or terminated due to noncompliance with the health, safety, or licensing standards or
30 there is substantiated evidence of child abuse, neglect, or endangerment, the operator shall be
31 ineligible to apply for a child care license pursuant to this Article and, if voluntarily licensed by
32 the Department under this Article, shall be subject to an administrative action revoking its child
33 care license. Further, if the DOD or United States Coast Guard substantiates child abuse, neglect,
34 or endangerment, the operator shall have the operator's name placed on the North Carolina Child
35 Maltreatment Registry and shall not be a caregiver pursuant to G.S. 110-105.5."

36 **SECTION 14.1.** The Department of Health and Human Services, Division of Child
37 Development and Early Education (Division), in coordination with the Child Care Commission,
38 shall work to clarify the rules governing multiuse child care centers to ensure each of the
39 following:

- 40 (1) Allow the use of existing buildings to house multiunit child care centers and
41 include mixed-age centers if they meet the requirements outlined in the rules
42 regarding multiunit child care centers.
43 (2) Grant individual licenses within a multiunit child care center based on the
44 square footage used by each owner.

45 Applicants who meet the pre-licensing guidelines and are awarded a license by the
46 Division shall be considered eligible to qualify as a tenant in a multiuse facility.

47 **SECTION 14.2.** G.S. 110-98.5 reads as rewritten:

48 "**§ 110-98.5. Care for school-age children during state of emergency.**

49 Notwithstanding any provision of law or rule to the contrary, when remote or virtual learning
50 is required due to a declared state of emergency issued under G.S. 166A-19.20, the following
51 shall apply:

- 1 ...
2 (3) Care provided to school-age children pursuant to this section is not considered
3 child care as defined under G.S. 110-86. However, if a program was licensed
4 prior to the state of emergency, it shall be deemed licensed during the state of
5 emergency whether it expands its capacity to provide services to more
6 children so long as it adheres to the staff-child ratios for licensure."
7

8 PART III. BUILDING CODE REVISIONS

9 SECTION 15.(a) Definitions. – For the purposes of this section, the following
10 definitions apply:

- 11 (1) Code. – The North Carolina State Building Code, and amendments to the
12 Code, as adopted by the Councils.
13 (2) Councils. – The Residential Code Council and the Building Code Council.
14 (3) Family child care home. – As described in G.S. 110-86(3)b.

15 SECTION 15.(b) Family Child Care Home. – Until the effective date of the rules to
16 create a family child care home occupancy classification within a dwelling subject to the North
17 Carolina Residential Code, the Office of the State Fire Marshal, the Councils, and State and local
18 governments enforcing the Code shall adhere to family child care home requirements as provided
19 in subsection (c) of this section.

20 SECTION 15.(c) Implementation. – Notwithstanding Section 310, Residential
21 Group R, of the North Carolina Building Code, and Section 203.10, Residential Group R, of the
22 North Carolina Fire Code, a family child care home located within a dwelling subject to the North
23 Carolina Residential Code shall be treated as a Residential Group R-3 occupancy. The building
24 where the family child care home is located shall be permitted to comply with the North Carolina
25 Residential Code, provided that a family child care home must meet only the following additional
26 requirements:

- 27 (1) Rooms and areas within a family child care home where occupants receive
28 care shall be on the same level of exit discharge.
29 (2) Rooms and areas within a family child care home where occupants receive
30 care shall be located on the same level with, and within a maximum of 40 feet
31 travel distance to, at least one 2A:10B:C fire extinguisher.
32 (3) A family child care home shall have and maintain a Fire Safety, Evacuation,
33 and Lockdown Plan compliant with Section 404 of the North Carolina Fire
34 Code.
35 (4) A family child care home shall have carbon monoxide alarm and detection
36 systems compliant with Section R315 of the North Carolina Residential Code.
37 (5) A family child care home shall have smoke alarms compliant with Section
38 R314 of the North Carolina Residential Code.

39 SECTION 15.(d) Additional Residential Code Council Rulemaking Authority. –
40 The Residential Code Council shall adopt rules to amend the North Carolina Residential Code to
41 create a family child care home occupancy classification within a dwelling subject to the North
42 Carolina Residential Code consistent with subsection (c) of this section. Notwithstanding
43 G.S. 150B-19(4), the rules adopted by the Residential Code Council pursuant to this subsection
44 shall be substantively identical to the provisions of subsection (c) of this section. Rules adopted
45 pursuant to this subsection are not subject to Part 3 of Article 2A of Chapter 150B of the General
46 Statutes. Rules adopted pursuant to this subsection shall become effective as provided in
47 G.S. 150B-21.3(b1), as though 10 or more written objections had been received as provided in
48 G.S. 150B-21.3(b2).

49 SECTION 15.(e) Additional Building Code Council Rulemaking Authority. – The
50 Building Code Council shall adopt rules to amend the North Carolina State Building Code
51 volumes specified within G.S. 143-138(a)(1) through (9) to make conforming changes consistent

1 with rules adopted by the Residential Code Council as required by subsection (d) of this section.
2 Rules adopted pursuant to this subsection are not subject to Part 3 of Article 2A of Chapter 150B
3 of the General Statutes. Rules adopted pursuant to this subsection shall become effective as
4 provided in G.S. 150B-21.3(b1), as though 10 or more written objections had been received as
5 provided in G.S. 150B-21.3(b2).

6 **SECTION 15.(f) Sunset.** – This section expires when permanent rules adopted as
7 required by subsections (d) and (e) of this section become effective.

8 **SECTION 16.(a) Definitions.** – For the purposes of this section, the following
9 definitions apply:

10 (1) Code. – The North Carolina State Building Code, and amendments to the
11 Code, as adopted by the Councils.

12 (2) Councils. – The Residential Code Council and the Building Code Council.

13 (3) Family child care home. – As described in G.S. 110-86(3)b.

14 **SECTION 16.(b) Family Child Care Home.** – Until the effective date of the rules to
15 create a family child care home occupancy classification within a dwelling subject to the North
16 Carolina Building Code, the Office of the State Fire Marshal, the Councils, and State and local
17 governments enforcing the Code shall adhere to family child care home requirements as provided
18 in subsection (c) of this section.

19 **SECTION 16.(c) Implementation.** – Notwithstanding Section 310, Residential
20 Group R, of the North Carolina Building Code, and Section 203.10, Residential Group R, of the
21 North Carolina Fire Code, a family child care home located within a dwelling subject to the North
22 Carolina Building Code shall be treated as a Residential Group R-3 occupancy. The dwelling
23 where the family child care home is located shall be permitted to comply with the North Carolina
24 Building Code, provided that a family child care home must meet only the following additional
25 requirements:

26 (1) Rooms and areas within a family child care home where occupants receive
27 care shall be on the same level of exit discharge.

28 (2) Rooms and areas within a family child care home where occupants receive
29 care shall be located on the same level with, and within a maximum of 40 feet
30 travel distance to, at least one 2A:10B:C fire extinguisher.

31 (3) A family child care home shall have and maintain a Fire Safety, Evacuation,
32 and Lockdown Plan compliant with Section 404 of the North Carolina Fire
33 Code.

34 (4) A family child care home shall have carbon monoxide alarm and detection
35 systems compliant with Section 915 of the North Carolina Building Code.

36 (5) A family child care home shall have smoke alarms compliant with Section
37 R907 of the North Carolina Building Code.

38 **SECTION 16.(d) Additional Building Code Council Rulemaking Authority.** – The
39 Building Code Council shall adopt rules to amend the North Carolina State Building Code
40 volumes specified within G.S. 143-138(a)(1) through (9) to create a family child care home
41 occupancy classification within a dwelling subject to the North Carolina Building Code
42 consistent with subsection (c) of this section. Notwithstanding G.S. 150B-19(4), the rules
43 adopted by the Building Code Council pursuant to this subsection shall be substantively identical
44 to the provisions of subsection (c) of this section. Rules adopted pursuant to this subsection are
45 not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules adopted
46 pursuant to this subsection shall become effective as provided in G.S. 150B-21.3(b1), as though
47 10 or more written objections had been received as provided in G.S. 150B-21.3(b2).

48 **SECTION 16.(e) Additional Residential Code Council Rulemaking Authority.** – The
49 Residential Code Council shall adopt rules to amend the North Carolina Residential Code to
50 make conforming changes consistent with rules adopted by the Building Code Council as
51 required by subsection (d) of this section. Rules adopted pursuant to this subsection are not

1 subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules adopted pursuant
2 to this subsection shall become effective as provided in G.S. 150B-21.3(b1), as though 10 or
3 more written objections had been received as provided in G.S. 150B-21.3(b2).

4 **SECTION 16.(f)** Sunset. – This section expires when permanent rules adopted as
5 required by subsections (d) and (e) of this section become effective.

6 **SECTION 17.(a)** Definitions. – For the purposes of this section, the following
7 definitions apply:

8 (1) Code. – The North Carolina State Building Code, and amendments to the
9 Code, as adopted by the Councils.

10 (2) Councils. – The Residential Code Council and the Building Code Council.

11 (3) Family child care home. – As described in G.S. 110-86(3)b.

12 **SECTION 17.(b)** Family Child Care Home. – Until the effective date of the rules to
13 create a family child care home occupancy classification within a dwelling subject to the State
14 of North Carolina Regulations for Manufactured Homes, the Office of the State Fire Marshal,
15 the Councils, and State and local governments enforcing the Code shall adhere to family child
16 care home requirements as provided in subsection (c) of this section.

17 **SECTION 17.(c)** Implementation. – Notwithstanding Section 310, Residential
18 Group R, of the North Carolina Building Code, and Section 203.10, Residential Group R, of the
19 North Carolina Fire Code, a family child care home located within a dwelling subject to the State
20 of North Carolina Regulations for Manufactured Homes shall be treated as a Residential Group
21 R-3 occupancy. The dwelling where the family child care home is located shall be permitted to
22 comply with the North Carolina Regulations for Manufactured Homes, provided that a family
23 child care home must meet only the following additional requirements:

24 (1) Rooms and areas within a family child care home where occupants receive
25 care shall be on the same level of exit discharge.

26 (2) Rooms and areas within a family child care home where occupants receive
27 care shall be located on the same level with, and within a maximum of 40 feet
28 travel distance to, at least one 2A:10B:C fire extinguisher.

29 (3) A family child care home shall have and maintain a Fire Safety, Evacuation,
30 and Lockdown Plan compliant with Section 404 of the North Carolina Fire
31 Code.

32 (4) A family child care home shall have carbon monoxide alarm and detection
33 systems compliant with Section R315 of the North Carolina Residential Code.

34 (5) A family child care home shall have smoke alarms compliant with Section
35 R314 of the North Carolina Residential Code.

36 **SECTION 17.(d)** Additional Building Code Council Rulemaking Authority. – The
37 Building Code Council shall adopt rules to amend the North Carolina State Building Code
38 volumes specified within G.S. 143-138(a)(1) through (9) to create a family child care home
39 occupancy classification within a dwelling subject to the State of North Carolina Regulations for
40 Manufactured Homes consistent with subsection (c) of this section. Notwithstanding
41 G.S. 150B-19(4), the rules adopted by the Building Code Council pursuant to this subsection
42 shall be substantively identical to the provisions of subsection (c) of this section. Rules adopted
43 pursuant to this subsection are not subject to Part 3 of Article 2A of Chapter 150B of the General
44 Statutes. Rules adopted pursuant to this subsection shall become effective as provided in
45 G.S. 150B-21.3(b1), as though 10 or more written objections had been received as provided in
46 G.S. 150B-21.3(b2).

47 **SECTION 17.(e)** Additional Residential Code Council Rulemaking Authority. – The
48 Residential Code Council shall adopt rules to amend the North Carolina Residential Code to
49 make conforming changes consistent with rules adopted by the Building Code Council as
50 required by subsection (d) of this section. Rules adopted pursuant to this subsection are not
51 subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules adopted pursuant

1 to this subsection shall become effective as provided in G.S. 150B-21.3(b1), as though 10 or
 2 more written objections had been received as provided in G.S. 150B-21.3(b2).

3 **SECTION 17.(f)** Sunset. – This section expires when permanent rules adopted as
 4 required by subsections (d) and (e) of this section become effective.

5 **SECTION 18.(a)** G.S. 110-86 reads as rewritten:

6 "**§ 110-86. Definitions.**

7 Unless the context or subject matter otherwise requires, the terms or phrases used in this
 8 Article shall be defined as follows:

9 ...

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

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

17 b. A family child care home is a child care arrangement located in a
 18 ~~residence~~an operator occupied private dwelling where, at any one
 19 time, more than two children, but less than 11 children, receive child
 20 care, provided the arrangement is in accordance with G.S. 110-91(7)b.

21"

22 **SECTION 18.(b)** G.S. 110-91 reads as rewritten:

23 "**§ 110-91. Mandatory standards for a license.**

24 All child care facilities shall comply with all State laws and federal laws and local ordinances
 25 that pertain to child health, safety, and welfare. Except as otherwise provided in this Article, the
 26 standards in this section shall be complied with by all child care facilities. However, none of the
 27 standards in this section apply to the school-age children of the operator of a child care facility
 28 but do apply to the preschool-age children of the operator. Children 13 years of age or older may
 29 receive child care on a voluntary basis provided all applicable required standards are met. The
 30 standards in this section, along with any other applicable State laws and federal laws or local
 31 ordinances, shall be the required standards for the issuance of a license by the Secretary under
 32 the policies and procedures of the Commission except that the Commission may, in its discretion,
 33 adopt less stringent standards for the licensing of facilities which provide care on a temporary,
 34 part-time, drop-in, seasonal, after-school or other than a full-time basis.

35 ...

36 (4) Building. – Each child care facility shall be located in a building which meets
 37 the appropriate requirements of the North Carolina State Building Code ~~under~~
 38 ~~standards which shall be developed by the Building Code Council, Code,~~
 39 subject to adoption by the Commission specifically for child care facilities,
 40 including facilities operated ~~in a private residence,~~as family child care homes.
 41 These standards shall be consistent with the provisions of this Article. A local
 42 building code enforcement officer shall approve any proposed alternate
 43 material, design, or method of construction, provided the building code
 44 enforcement officer finds that the alternate, for the purpose intended, is at least
 45 the equivalent of that prescribed in the technical building codes in quality,
 46 strength, effectiveness, fire resistance, durability, or safety. A local building
 47 code enforcement officer shall require that sufficient evidence or proof be
 48 submitted to substantiate any claim made regarding the alternate. The Child
 49 Care Commission may request changes to the North Carolina State Building
 50 Code to suit the special needs of preschool children. Satisfactorily written
 51 reports from representatives of building inspection agencies shall be required

1 prior to the issuance of a license and whenever renovations are made to a child
2 care center, or when the operator requests licensure of space not previously
3 approved for child care.

- 4 (5) Fire Prevention. – Each child care facility shall be located in a building that
5 meets appropriate requirements for fire prevention and safe evacuation that
6 apply to child care facilities as established by the ~~Department of Insurance~~
7 Office of the State Fire Marshal in consultation with the Department. Except
8 for child care centers located on State property, each child care center shall be
9 inspected at least annually by a local fire department or volunteer fire
10 department for compliance with these requirements. Child care centers located
11 on State property shall be inspected at least annually by an official designated
12 by the ~~Department of Insurance~~Office of the State Fire Marshal."

13 **SECTION 19.1.** The Division of Child Development and Early Education (Division)
14 shall establish the Licensed Childcare Licensure Workgroup to examine streamlining regulatory
15 requirements related to the physical structures of licensed child care facilities. The workgroup
16 shall consist of at least one representative from each of the following:

- 17 (1) The Division of Child Development and Early Education.
18 (2) The Office of the State Fire Marshal.
19 (3) The Department of Insurance.
20 (4) The North Carolina Building Code Council.
21 (5) The Division of Public Health.
22 (6) The League of Municipalities.
23 (7) The North Carolina Association of County Commissioners.
24 (8) N.C. Licensed Child Care Association.
25 (9) The North Carolina Child Care Commission.
26 (10) Other representatives deemed necessary by the Division.

27 The Division shall appoint two individuals to serve as co-chairs of the workgroup.

28 Each entity above shall choose the individual or individuals to serve on the workgroup
29 in a number to be determined by the Division.

30 **SECTION 19.2.** The workgroup shall develop findings and recommendations
31 related to at least the following:

- 32 (1) Streamlining the regulatory requirements related to the physical structures of
33 licensed child care facilities, including building codes, fire codes, and
34 sanitation codes.
35 (2) Resolving conflicts between various code requirements for licensed child care
36 facilities.

37 **SECTION 19.3.** The Division of Child Development and Early Education shall
38 report the findings and recommendations of the workgroup to the Joint Legislative Oversight
39 Committee on Health and Human Services, the Joint Legislative Oversight Committee on
40 General Government, and the Fiscal Research Division no later than one year after this act
41 becomes law.

42 43 **PART IV. EFFECTIVE DATE**

44 **SECTION 20.** This act is effective when it becomes law.