



SENATE BILL 876: QRIS Modernization.

2023-2024 General Assembly

Committee:	Senate Health Care. If favorable, re-refer to Appropriations/Base Budget	Date:	May 6, 2024
Introduced by:	Sens. Krawiec, Burgin, Corbin	Prepared by:	Debbie Griffiths Staff Attorney
Analysis of:	First Edition		

OVERVIEW: *S.B. 876 would do the following:*

- *Establish three pathways for child-care facilities to be assessed to obtain or maintain its star rating.*
- *Direct the Department of Health and Human Services (DHHS) to adopt, repeal, and amend rules to effectuate the new star rating pathways as well as any rule establishing the star rating system to be automatically assessed for childcare facilities designated as Head Start programs.*
- *Extend hold harmless provisions suspending reassessments and education requirements until the new rules are in place.*
- *Amend G.S. 110-90 to align the powers of the Secretary of Health and Human Services with the new assessments and make other technical and conforming changes.*
- *Appropriate five hundred thousand dollars (\$500,000) in recurring funds for the 2024-2025 fiscal year for administrative costs in implementing this act.*

S.B. 876 would not apply to the requirements regarding the training or curriculum offered by religious-sponsored childcare facilities.

CURRENT LAW: There is only one pathway to receiving a two- to five-star license. The current system is based on point accumulation consisting of up to 7 points for staff education standards, up to 7 points for program standards, and the opportunity to receive one (1) additional point by demonstrating compliance with a single option in educational or program standards.

BILL ANALYSIS: **Section 1** of the act would establish three pathways to obtain a two- to five-star license and provide DHHS discretion to approve other pathways to update the Quality Rating Improvement System (QRIS) as recommended by the Child Care Commission. The three pathways are (1) program assessment, (2) classroom and instructional quality, and (3) national accreditation.

Section 2 of the act would permit three- or five-star licensure through accreditation as follows:

- A three-star rated license would be granted if the facility is accredited by the National Early Childhood Program Accreditation, National Association for Family Child Care, American Montessori Society, and International Montessori Council.
- A five-star license would be granted if the facility meets the criteria of or is accredited by the National association for Education of Young Children, National Accreditation Commission of Early Care and Education Programs, and Cognia formerly AdvancedED.

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Sections 3 and 5 are hold harmless provisions for childcare facilities until the new rules becomes effective. The provisions would allow a childcare facility with a two- to five-star rating to forego a reassessment and would reduce the number of lead teachers required in a facility to meet the rated education requirements from 75% to 50% for new two- to five-star licenses or if the facility voluntarily undergoes assessment.

Section 4 would require the Division to utilize an alternate rating scale based on the type of facility and age of the children scale beginning February 1, 2025, if it issues a new two- to five-star license to a childcare facility or if a facility voluntarily undergoes an assessment prior to the new rules becoming effective.

Section 6 would make technical corrections to G.S. 110-90(4) and align the requirements for issuing a rated license to the three options that would be available.

Section 7 clarifies that no provision of the act would apply to the requirements for training or curriculum for religious-sponsored childcare facilities.

Section 8 would require the Child Care Commission to adopt, amend, or repeal any rules necessary to implement the provisions of this act including rules to establish the star rating system to be automatically applied to Head Start designated facilities.

Section 9 would appropriate five hundred thousand dollars (\$500,000) in recurring funds for the 2024-2025 fiscal year for the administrative costs with implementing the act.

EFFECTIVE DATE: Sections 2-5 of this act would be effective when they become law and would expire on the date rules implementing QRIS reform become effective. Section 9 of this act would be effective July 1, 2024. The remainder of this act would be effective when it becomes law.

BACKGROUND: The North Carolina Child Care Commission submitted recommendations for Quality Rating Improvement System Reform (QRIS/Star-Rating System) to the Joint Legislative Oversight Committee on Health and Human Services on March 28, 2024. The full report can be accessed [here](#). The Commission recommended three pathways from which a childcare facility could chose to be assessed to receive a two- to five-star license. Those pathways were described as follows:

- **Pathway 1-Program Assessment.** This assessment is most similar to the current QRIS standards. This assessment would utilize an updated Environment Rating Scale (ERS), an external program assessment to demonstrate the quality of a childcare facility.
- **Pathway 2-Classroom and Instructional Quality.** This new assessment would review lower caregiver/child ratios or enrollment requirements combined with an emphasis on curriculum, child assessment, and coaching/training.
- **Pathway 3-Accreditation** by certain national accrediting organizations as required by Section 2 of S.L. 2023-40. If a childcare facility is accredited by one of seven national accrediting organizations the accreditation could be used in lieu of being assessed by one of the other two pathways to receive a rated license.