S

SENATE BILL 594*

Short Title: Family/Child Protection & Accountability Act. (Public)

Sponsors: Senators Barringer, Harrington, Tucker (Primary Sponsors); Alexander, Ballard, Blue, Cook, Dunn, Gunn, Krawiec, Lee, Newton, Sanderson, Smith-Ingram, Tarte, Van Duyn, and Waddell.

Referred to: Rules and Operations of the Senate

April 5, 2017

A BILL TO BE ENTITLED
AN ACT TO REFORM THE CHILD WELFARE SYSTEM IN THIS STATE; IMPROVE ACCOUNTABILITY AND STATE OVERSIGHT OF THE CHILD WELFARE SYSTEM; REQUIRE THE STATE TO DEVELOP A PLAN FOR A REGIONAL SYSTEM OF SOCIAL SERVICES DEPARTMENTS; ESTABLISH A CHILD WELL-BEING TRANSFORMATION COUNCIL TO IMPROVE COORDINATION, COLLABORATION, AND COMMUNICATION AMONG CHILD-SERVING AGENCIES; ESTABLISH A PILOT PROGRAM TO HELP YOUTH IN SUBSTITUTE CARE OBTAIN DRIVERS LICENSES; ESTABLISH A PILOT PROGRAM TO AUTHORIZE A WAIVER OF THE EMPLOYMENT REQUIREMENT FOR FOSTER PARENTS OF CHILDREN RECEIVING INTENSIVE ALTERNATIVE FAMILY TREATMENT; REDUCE THE TIME FRAME A PARENT HAS TO APPEAL FROM A TERMINATION OF PARENTAL RIGHTS ORDER; AND REDUCE THE TIME FRAME FOR LICENSURE APPROVAL REGARDING FOSTER CARE.

Whereas, the children and families involved in North Carolina's child welfare system are among our most vulnerable children and most fragile families; and

Whereas, the recent federal Child and Family Services Review (CFSR) and the North Carolina Statewide Child Protective Services Evaluation of the State's Child Protective Services (CPS) program identified troubling gaps and flaws in North Carolina's child welfare system that are allowing too many of those vulnerable children and fragile families to fall through the cracks; and

Whereas, transforming the child welfare system to better ensure the safety, permanency, and well-being of children and families is the right thing to do; and

Whereas, county social services agencies are facing significant resource and administration challenges in areas other than child welfare, such as public assistance and adult services; and

Whereas, a recent audit by the North Carolina State Auditor of Medicaid eligibility determinations by county departments of social services concluded that most of the county departments reviewed in the audit did not consistently meet standards for timeliness and accuracy; and

Whereas, a recent report by the Program Evaluation Division reached similar conclusions regarding county administration of Medicaid eligibility determinations; and

Whereas, North Carolina's Aging Services Plan and a recent report on Alzheimer's and related dementias by the North Carolina Institute of Medicine emphasize the tremendous...
growth of the aging population and anticipate relying heavily on social services agencies to
support the needs of this population; and

Whereas, it has been challenging for the State to effectively supervise
administration of complex social services programs in 100 counties and it would be more
efficient and effective for the State to supervise fewer local agencies; and

Whereas, it is our charge to spend public dollars wisely and effectively on
administration of public assistance; and

Whereas, for the aforementioned reasons, North Carolina requires a plan of action to
systematically reform the child welfare system and reduce the number of departments of social
services to allow for better supervision and administration of social services programs; Now,
therefore,
The General Assembly of North Carolina enacts:

PART I. REGIONAL SOCIAL SERVICES DEPARTMENTS; WORKING GROUP

SECTION 1.1. Transition to Regional Social Services Departments. – The
Department of Health and Human Services (Department) shall develop a plan for regional
organization, administration, and governance of the social services system in North Carolina.
The plan shall recommend a system of public authorities that includes no more than 30 regions
and is operational no later than January 1, 2022. The plan will have the effect of transforming
North Carolina's State-supervised, county-administered system into a State-supervised,
regionally administered system. It is essential that the plan reflect the interests of all
stakeholders involved with the current system. The Department shall develop a preliminary
plan and a final plan as follows:

(1) Preliminary plan. – The Department shall prepare a preliminary plan that
incorporates recommendations submitted to the Department by the Social
Services Regionalization Working Group created under Section 1.2 of this
act. In developing the preliminary plan, the Department shall implement a
process for soliciting stakeholder input on the plan. The Department shall
submit the preliminary plan to the Joint Legislative Oversight Committee on
Health and Human Services by January 15, 2019.

(2) Final plan. – The Department shall revise the preliminary plan to incorporate
changes based on information it receives from stakeholders. The final plan
shall include a proposed time line for completing the transition to a regional
social services system by January 1, 2022. The Department shall submit the
final plan to the Joint Legislative Oversight Committee on Health and
Human Services (Committee) by March 31, 2019. If the Department fails to
submit a final plan to the Committee by March 31, 2019, then the
Committee shall proceed with developing its own plan for regionalization.

SECTION 1.2.(a) Social Services Regionalization Working Group. – The School
of Government at the University of North Carolina at Chapel Hill (SOG) shall convene a Social
Services Regionalization Working Group (Working Group) to make recommendations to the
Department regarding the preliminary plan for regionalization.

SECTION 1.2.(b) Composition. – The Working Group shall consist of the
following members:

(1) Three members of the Senate upon recommendation of the President Pro
Tempore of the Senate, one of whom shall be designated as a cochair.

(2) Three members of the House of Representatives upon recommendation of
the Speaker of the House of Representatives, one of whom shall be
designated as a cochair.
(3) Three representatives from the Department of Health and Human Services upon recommendation of the Secretary of Health and Human Services, or the Secretary's designee.

(4) One designee of the Chief Justice of the North Carolina Supreme Court.

(5) Four county commissioners representing the North Carolina Association of County Commissioners, each of whom shall represent different regions of the State.

(6) Two representatives from the North Carolina Association of Directors of Social Services.

(7) One representative from the North Carolina Association of Social Services Attorneys.

SECTION 1.2.(c) Ad Hoc Subcommittees. – The cochairs may, at their discretion, establish ad hoc subcommittees involving experts and representatives of stakeholder organizations to provide information and offer recommendations related to their areas of expertise and interest. Experts and organizations may include:

(1) Social Services Commission.

(2) North Carolina Association of County Boards of Social Services.

(3) Guardian ad Litem program.

(4) Office of Indigent Defense Services.

(5) North Carolina Partnership for Children, Inc.

(6) Disability Rights of North Carolina.

(7) Benchmarks NC.

(8) North Carolina Association of Local Health Directors.

(9) North Carolina Council of Community Programs.


(13) AARP North Carolina.

(14) County commissioners representing jurisdictions that have diverse geographic, socioeconomic, and demographic characteristics.

(15) Directors and administrators of consolidated human services agencies.

(16) Other experts or stakeholders identified by the cochairs.

SECTION 1.2.(d) Duties. – The Working Group shall develop recommendations for the regionalization plan required by Section 1.1 of this act. At a minimum, the recommendations shall:

(1) Focus on the need to improve service delivery, enhance the quality of services provided, increase efficiency and accuracy, and promote uniformity of service availability and delivery across the State.

(2) Specify the services a regional agency would be required and authorized to provide and the functions it would be required and authorized to perform.

(3) Identify factors to consider when establishing the size of the regions, including (i) the need to ensure that the size of the region allows the region to maintain a direct, local connection with the jurisdictions it serves and (ii) the cultural differences and similarities between regions.

(4) Propose a regional system that provides for centralized administrative operations that are geographically located in one county, but preserves a physical presence for delivery of social services in every county served by the region.

(5) Strive to align the new regions with both county borders and judicial districts in order to ensure seamless connections between child welfare, adult protective services, child support enforcement, and the judicial system.
Consider the implications of making the regional agencies public authorities, as defined in G.S. 159-7(10), and identify policy and administrative issues that would need to be addressed in legislation when creating the authorities.

Identify one or more options for maintaining county contributions to social services programs at appropriate levels to ensure adequate services are available throughout the region and each county in a region is financially accountable for the proportion of services provided in that county.

Propose a governance structure for the regional agencies that, at a minimum, requires a governing board, outlines the process for appointing board members, and requires at least one county commissioner from each county within the region to serve on a governing board.

Propose powers and duties of the governing board, which shall include the authority to hire and supervise the director of the regional agency.

Consider the leadership needs for the regional agencies, including the minimum qualifications for the agency director, as well as the necessary powers and duties of the director.

Propose safeguards to ensure that the regional agencies maintain effective working relationships with the other human services agencies and stakeholders serving the same counties.

Consider the implications of having personnel of the regional agencies exempt from or subject to Chapter 126 of the General Statutes.

Consider the implications of regionalization of social services for counties that have established consolidated human services agencies pursuant to G.S. 153A-77 and explore options for integrating regionalized administration into the framework of consolidated agencies, granting exemptions to regionalization for consolidated agencies, authorizing regional consolidated human services agencies, and reversing consolidations.

SECTION 1.2.(e) Report – The Working Group shall submit an interim report to the Joint Legislative Oversight Committee on Health and Human Services (Committee) no later than June 30, 2018. After receiving the interim report, the Committee may terminate the Working Group if it concludes that the Working Group is not making sufficient progress. The Working Group shall submit a final report, including its recommendations in accordance with subsection (c) of this section, to the Committee and the Department of Health and Human Services by December 1, 2018.

SECTION 1.2.(f) Role of the School of Government. – The School of Government at the University of North Carolina at Chapel Hill shall assist the Working Group as follows:

1. Convene and facilitate meetings.
2. Provide necessary clerical and administrative support.
3. Prepare the Working Group’s preliminary and final reports.
4. Provide technical assistance, as appropriate.

SECTION 1.3. SOG Funds. – There is appropriated from the General Fund to the School of Government at the University of North Carolina at Chapel Hill the sum of forty-eight thousand four hundred dollars ($48,400) for the 2017-2018 fiscal year and the sum of twenty-five thousand seven hundred dollars ($25,700) for the 2018-2019 fiscal year for its role in assisting in developing the regionalization plan under Section 1.2 of this act.

SECTION 1.4. Working Group Funds. – There is appropriated from the General Fund to the Department of Health and Human Services the sum of thirty-eight thousand thirty-nine dollars ($38,039) for the 2017-2018 fiscal year and the sum of sixteen thousand three hundred three dollars ($16,303) for the 2018-2019 fiscal year for reimbursement costs associated with duties of the Working Group.

SECTION 1.5. Sections 1.3 and 1.4 of this act become effective July 1, 2017.
PART II. REFORMING STATE SUPERVISION AND ACCOUNTABILITY OF THE STATE'S CHILD WELFARE SYSTEM

SECTION 2.1.(a) The Office of State Budget and Management, in consultation with the Department of Health and Human Services, shall develop and issue a request for proposal (RFP) no later than January 15, 2018, to contract with a third-party organization to evaluate the State's child welfare system, develop a plan for reforming the system in order to improve outcomes for children and enhance State supervision of local administration, and provide ongoing evaluation and oversight of the agency's implementation of child welfare reform. In developing the implementation plan, the organization shall engage the services of national technical advisors with broad expertise and experience in implementing large-scale, systemic child welfare reform. The organization, along with national technical advisors, shall undertake a comprehensive, diagnostic assessment of the State's child welfare system, including its points of contact with other child-serving State systems, and develop a plan for reforming the system to include, at a minimum, the following child welfare activities:

1. Child Protective Services (CPS), including receiving reports and investigating allegations of child abuse, neglect, or dependency.
2. Preventive and in-home services that provide struggling families with needed supports and treatment to prevent removal of the children from the home.
4. Services provided to children, youth, and parents involved with child welfare to achieve reunification of families.
5. Efforts to achieve permanency for children either through reunification with family, legal guardianship or custody, or adoption.
6. Provision of health care, mental health, and educational services to children and families involved with the child welfare system.
7. Services provided to older youth in foster care and to those who have aged out of foster care.

SECTION 2.1.(b) In addition to the requirements under subsection (a) of this section, the child welfare reform plan shall propose critical changes, as needed, to the major structural components of the State's child welfare system, including each of the following:

1. Visioning and an overarching strategic direction for the Department of Health and Human Services, Division of Social Services.
2. Collection, analysis, and effective use of data.
3. Leadership and governance at the State level.
4. Changes necessary to ensure well-trained and adequately compensated staff to improve performance and reduce turnover.
5. Practice and implementation, including:
   a. Ensuring a statewide, trauma-informed, culturally competent, family-centered practice framework.
   b. Incorporating more evidence-based practices, including evidence-informed prevention services designed to reduce the number of children entering foster care.
   c. Specifying expectations regarding professional development, training, and performance standards.
   d. Eliminating unnecessary barriers to licensing foster care and therapeutic foster care families to ensure an adequate supply of qualified families.
e. Improving provider and foster parent feedback loops. For purposes of this sub-subdivision, "feedback loops" refers to a situation in which a portion of the output of a situation is used for new input.

f. Performing time use and salary surveys for Division of Social Services staff.

g. Promoting relationship-building across agencies and providers.

h. Implementing family supports for adoptions, which includes (i) collecting data on the incidence of disrupted adoptions and unlawful transference of children in North Carolina, (ii) the outcomes for children and families associated with disrupted adoptions, and (iii) the provision of supports needed to assist families at risk of disruption in order to keep those families together.

i. Maintaining sibling groups, in accordance with the "Fostering Connections to Success and Increasing Adoptions Act of 2008."

j. Developing a statewide, standardized functional assessment to be used for case planning, service referrals, and to enhancing executive-level decision making around resource allocation and other system reform efforts.

(6) Consistent, standardized continuous quality improvement (CQI) at the State and county levels.

(7) Analysis and alignment of policies and procedures to support and accelerate system reform, focusing on sustainable change that will improve outcomes for children and families.

SECTION 2.1.(c) In developing the child welfare reform plan pursuant to this section, the organization shall do each of the following:

(1) Ensure the plan complies with the requirements of the federal Child and Family Services Review Program Improvement Plan effective January 1, 2017.

(2) Consult with the Social Service Regionalization Working Group on the development of the regionalization plan and offer recommendations appropriate to align the regionalization plan with the child welfare reform plan.

(3) Review the program for corrective action under G.S. 108A-74, as amended by Section 3.1 of this act, and offer any recommendations necessary to align the corrective action program with the child welfare reform plan.

SECTION 2.1.(d) The child welfare system reform effort described in this act shall also include the creation of a Child Welfare System Transparency and Wellness Dashboard (Dashboard) that will collect data from the North Carolina Families Accessing Services through Technology (NC FAST) system. The Dashboard shall serve as a report card and include regular reports of the components described under subsection (b) of this section and be continuously updated to allow for monitoring by State leadership, staff and families involved in the child welfare system, and the general public to ensure maximum accountability and transparency and the effective and efficient use of child welfare services and funds. Specifically, the Dashboard shall address the data issues highlighted in the Child and Family Services Review (CFSR) and the North Carolina Statewide Child Protective Services Evaluation of the State’s Child Protective Services system dated March 1, 2016, to ensure the provision of accurate federal reporting and improved case management, continuous quality improvement (CQI), and overall improved outcomes for children and families. The Division of Social Services shall post data from a department of social services’ report card on the Division’s Web site, and the data shall be updated to ensure accurate reporting. For purposes of this section, the term "Dashboard"
means a standard set of performance and outcome metrics that indicate how effectively the child welfare system is working.

**SECTION 2.1.(e)** The following reporting and implementation requirements shall occur:

1. The Office of State Budget and Management (OSBM) shall report to the Joint Legislative Oversight Committee on Health and Human Services (Committee) upon hiring an organization to develop the child welfare reform plan pursuant to this section.

2. OSBM shall include in the contract clear direction that time is of the essence and failure to perform within the required time line constitutes breach of contract. OSBM shall also include a provision in the contract authorizing it to terminate the contract without financial penalty to the State if OSBM, in consultation with the Committee, determines that progress on development of the child welfare reform plan is unsatisfactory.

3. The organization shall submit a preliminary report to the Committee no later than 180 days after the contract is finalized. The preliminary report shall set forth the organization's vision for developing the child welfare reform plan. After that report is submitted, the organization shall submit bimonthly reports to the Committee on the progress of development and implementation of the child welfare reform plan.

4. The Department shall collaborate with the organization to implement the child welfare reform plan. The Department shall submit a report to the Committee no later than September 15, 2019. The report shall describe progress made on implementation to date, implementation plans and time lines for the subsequent 24 months, and a summary of significant challenges encountered during implementation.

5. The Department shall conduct a comprehensive review of every policy published by the Department related to child welfare. The Department shall revise existing policies and adopt new policies as necessary to align departmental guidance with the law as well as the systemic, policy, and practice changes resulting from both regionalization of the social services system and child welfare reform. The Department shall consult with agency attorneys and the School of Government at the University of North Carolina at Chapel Hill to confirm that each policy is authorized by statute or regulation. Prior to finalizing each policy, the Department shall provide the policy to the outside organization for review. The outside organization shall monitor the implementation of the policy review and revision process and submit bimonthly reports to the Committee beginning no later than September 15, 2019.

**SECTION 2.2.(a)** There is appropriated from the General Fund to the Department of Health and Human Services, Division of Social Services, the sum of three million one hundred thousand dollars ($3,100,000) in nonrecurring funds for the 2018-2019 fiscal year to implement the provisions of Section 2.1 of this act.

**SECTION 2.2.(b)** This section becomes effective July 1, 2017.

**PART III. LOCAL DSS; CORRECTIVE ACTION**

**SECTION 3.1.** G.S. 108A-74 reads as rewritten:

"§ 108A-74. **County Local department failure to provide services; meet required standards in child welfare; corrective action; State intervention in or control of service delivery.**
(a) Notwithstanding any other provision of law to the contrary, the Secretary of Health and Human Services may take action in accordance with this section to ensure the delivery of child welfare services in accordance with State laws and applicable rules. As used in this section, the terms following definitions shall apply:

(1) "County department of social services" also means the Department of social services. – The department responsible for administration of the social services and public assistance programs in a county. It includes a county department of social services, a consolidated human services agency, or a regional social services department, whichever applies.

(2) "County director of social services" also means the Director of social services. – The person responsible for managing and administering the department of social services, including a county social services director, a regional social services director, or a human services director, whichever applies.

(3) "County board of social services" also means the Board of social services. – The governing body responsible for oversight of the department of social services, a regional board of social services, a consolidated human services board, or a board of county commissioners that has assumed the powers and duties of a social services governing board pursuant to G.S. 153A-77(a), whichever applies.

(4) Child welfare program. – Protective services related to juveniles alleged to be abused, neglected, or dependent as required by Chapter 7B of the General Statutes and includes the placement of children in substitute care.

(a1) The Secretary shall develop a standard set of performance and outcome metrics for child welfare services. Departments of social services shall satisfy mandated performance requirements that are based on those metrics.

(a2) If a department of social services fails to meet the performance requirements for three consecutive months or for five months within any consecutive 12-month period, the Secretary and the department of social services shall enter into a joint corrective action plan within 60 working days. The plan shall specifically identify each of the following components:

(1) The duration of the joint corrective action plan, not to exceed 12 months. If the Secretary determines that the department of social services has not shown measurable progress within six months, the Secretary may summarily conclude that the department of social services has failed to successfully complete a joint corrective plan and may proceed with steps necessary to temporarily assume administrative responsibilities of the department of social services. If the Secretary determines the department of social services has shown measurable progress within six months, the Secretary may extend the joint corrective action plan by six months, but in no case shall a joint corrective action plan exceed 18 months.

(2) The performance requirements for the department of social services that constitute successful completion of the joint corrective action plan.

(3) An acknowledgement that failure to successfully complete the joint corrective action plan shall result in temporary assumption of all or part of the department of social services’ child welfare program administration.

(b) If the Secretary of Health and Human Services determines that a county department of social services is not providing child protective services, foster care services, or adoption services in accordance with State law and with applicable rules adopted by the Social Services Commission, or fails to demonstrate reasonable efforts to do so, has failed to successfully complete the joint corrective action plan, then the Secretary, after providing written notification of intent to the county director of social services, to the chair of the county board of
commissioners, and to the chair of the county board of social services, and after providing them
with an opportunity to be heard, may intervene in the particular service or services in question.
Intervention includes, but is not limited to, the following activities: Secretary shall give the
board of county commissioners, the department of social services, the county manager, and the
board of social services at least 30 days’ notice that the Secretary intends to temporarily assume
all or part of the department’s child welfare program administration in accordance with
subsection (c) of this section. In a regional department of social services, notice shall be
provided to boards of county commissioners and county managers for all counties served by the
region.

(1) Sending staff of the Department of Health and Human Services to the county
department of social services to provide technical assistance and to monitor
the services being provided;

(2) Establishing a corrective plan of action to correct inappropriate policies and
procedures; and

(3) Advising county personnel as to appropriate policies and procedures.

If within 60 days of completion of the intervention activities, the Secretary finds that the
county department of social services is not providing in accordance with State laws and
applicable rules the particular service or services for which intervention was initiated, or has
not demonstrated reasonable efforts to do so, the Secretary shall withhold State and federal
child welfare services administrative funds until the particular service or services are provided
in accordance with State laws and applicable rules.

(c) If the Secretary determines that a county department of social services is not
providing child protective, foster care, or adoption services in accordance with State law and
with applicable rules adopted by the Social Services Commission, or fails to demonstrate
reasonable efforts to do so, and the failure to provide the services poses a substantial threat to
the safety and welfare of children in the county who receive or are eligible to receive the
services, then the Secretary, after providing written notification of intent to the chair of the
county board of commissioners, to the chair of the county board of social services, and to the
county director of social services, and after providing them with an opportunity to be heard,
shall withhold funding for the particular service or services in question and shall ensure the
provision of these services through contracts with public or private agencies or by direct
operation by the Department of Health and Human Services. Notwithstanding any provision of
law to the contrary, if a department of social services fails to successfully complete its joint
corrective action plan, the Secretary shall, within 30 calendar days, temporarily assume all or
part of the department’s child welfare program administration upon giving notice as required by
subsection (b) of this section. During the period the Secretary assumes administration of the
child welfare program, the following shall occur:

(1) The Secretary shall administer the child welfare program in a county or
region. Administration by the Secretary may include direct operation by the
Department, including supervision of child welfare program staff, or
contracts for operation, to the extent permitted by federal law.

(2) The department of social services shall be divested of administrative
authority for any component of the child welfare program the Secretary
assumes.

(3) The director of social services shall be divested of all service delivery
powers conferred upon the director by G.S. 108A-14 and other applicable
State law as it pertains to the services in question. The Secretary may assign
any of the powers and duties of the director of social services to the Director
of the Division of Social Services of the Department or a contractor, as the
Secretary deems necessary and appropriate to continue the provision of
services in the county. If the director delegates any authority to staff
pursuant to G.S. 108A-14(b), delegated authority shall remain in effect until
the Secretary, or the Secretary’s designee, specifically revokes the
delegation.

(4) The Secretary shall direct and oversee the expenditure of all funding for the
administration of the components of the child welfare program assumed by
the Secretary.

(5) The department of social services shall not withdraw funds previously
obligated or appropriated for child welfare program administration and
services. The department of social services shall continue to pay the county
or region’s nonfederal share for the child welfare program services and
administration.

(6) The Secretary shall work with the department of social services to develop a
plan for the department to resume child welfare program administration.

(7) The Secretary shall inform the appropriate board or boards of county
commissioners, the county manager or managers, the director of social
services, and the board of social services of key activities and ongoing
concerns during the temporary assumption of child welfare administration.

(c1) Upon the Secretary’s determination that the department of social services is able to
meet performance requirements for child welfare programs and that program administration
responsibilities should be restored to the department of social services, the Secretary shall
notify the board of county commissioners, the department of social services, the county
manager, and the board of social services that the temporary assumption of child welfare
program administration will be terminated and the effective date of the termination. Upon
termination, the department of social services shall resume its full authority to administer the
child welfare program.

(d) In the event that the Secretary assumes control of service delivery pursuant to
subsection (c) of this section, the county director of social services shall be divested of all
service delivery powers conferred upon the director by G.S. 108A-14 and other applicable State
law as the powers pertain to the services in question. Upon assumption of control of service
delivery, the Secretary may assign any of the powers and duties of the county director of social
services to the Director of the Division of Social Services of the Department of Health and
Human Services or to a contractor as the Secretary deems necessary and appropriate to
continue the provision of the services in the county.

(e) In the event the Secretary takes action under this section, the Department of Health
and Human Services shall, in conjunction with the county board of commissioners, the county
board of social services, and the county director of social services develop and implement a
corrective plan of action. The Department of Health and Human Services shall also keep the
chair of the county board of commissioners, the chair of the county board of social services,
and the county director of social services informed of any ongoing concerns or problems with
the delivery of the services in question.

(f) Upon the Secretary taking action pursuant to subsection (c) of this section, county
funding of the services in question shall continue and at no time during the period of time that
the Secretary is taking action shall a county withdraw funds previously obligated or
appropriated for the services. Upon the Secretary’s assumption of the control of service
delivery, the county shall also pay the nonfederal share of any additional cost that may be
incurred to operate the services in question at the level necessary to comply fully with State law
and Social Services Commission rules.

(g) During the period of time that the Secretary is taking action pursuant to subsection
(e) of this section, the Department of Health and Human Services shall work with the county
board of commissioners, the county board of social services, and the county director of social
services, to enable service delivery to be returned to the county if and when the Secretary has
determined that services can be provided by the county in accordance with State law and applicable rules.

SECTION 3.2. Section 3.1 of this act becomes effective six months after all 100 counties in the State have implemented the child welfare component to the North Carolina Families Accessing Services through Technology (NC FAST) system.

PART IV. CHILD WELL-BEING TRANSFORMATION COUNCIL

SECTION 4.1. Chapter 143 of the General Statutes is amended by adding a new Article to read:


§ 143-775. Child Well-Being Transformation Council established; membership; qualifications; vacancies.

(a) Purpose; Findings. – The welfare of North Carolina’s children is a priority. There are many public and private agencies and organizations across the State that are involved with promoting the welfare of children and protecting them from harm, such as those involving child care, schools, health care providers, social services agencies, and juvenile justice programs. Though these agencies and organizations provide important services, they often fail to collaborate, coordinate, and communicate about those services. A more systematic and coordinated approach to services will help ensure that the State achieves the best possible outcomes for children. Therefore, the General Assembly finds that it is essential that a single body serve as a means for coordination, collaboration, and communication among agencies and organizations involved in providing public services to children.

(b) Creation and Membership. – There is established the North Carolina Child Well-Being Transformation Council (Council). The Council shall be located administratively in the General Assembly. The Council shall consist of 13 members serving staggered terms. In making appointments, each appointing authority shall select members who have appropriate experience and knowledge of the issues to be examined by the Council and shall strive to ensure members are appointed who represent the geographical, political, gender, and racial diversity of this State. The initial Council members shall be appointed on or after July 1, 2018, as follows:

(1) Three members shall be appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate. Of the members appointed under this subdivision, one shall be a member of the Senate who shall serve for a term of two years, one shall be a representative from the Administrative Office of the Courts who shall serve for a term of three years, and one shall be a representative from a child welfare private provider organization who shall serve a one-year term.

(2) Three members shall be appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives. Of the members appointed under this subdivision, one shall be a member of the House of Representatives who shall serve for a term of two years, one shall be a representative from the Department of Public Instruction who shall serve for a term of three years, and one shall be a representative from Indigent Defense Services who shall serve a one-year term.

(3) Seven members shall be appointed by the Governor. Of the members appointed under this subdivision, one shall be a representative from the Department of Health and Human Services, Division of Child Development and Early Education, who shall serve for a term of three years, one shall be a representative from the Department of Health and Human Services, Division of Social Services, who shall serve for a term of three years, one shall be a
representative from the Department of Public Safety, Division of Juvenile Justice, who shall serve for a term of two years, one shall be a representative from the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, who shall serve for a term of two years, one shall be a representative from the Guardian ad Litem program who shall serve a term of two years, one shall be a representative from Disability Rights NC who shall serve a one-year term, and one shall be a representative from the North Carolina Pediatric Society who shall serve a one-year term.

(c) Terms; Vacancies. – Upon the expiration of the terms of the initial Council members, each member shall be appointed for a term of four years and shall serve until a successor is appointed. No member may serve more than two consecutive full terms. A vacancy shall be filled within 30 days by the authority making the initial appointment.

(d) Organization. – The Council shall elect from its membership a chair and vice-chair to each serve one-year terms. The Council shall meet on a quarterly basis each year upon the call of the chair. A quorum of the Council is seven members. No action may be taken except by a majority vote at a meeting at which a quorum is present. The Open Meetings Law pursuant to Article 33 of Chapter 143 of the General Statutes and the Public Records Act under Chapter 132 of the General Statutes shall apply to the Council.

(e) Funding. – From funds available to the General Assembly, the Legislative Services Commission shall allocate monies to fund the work of the Committee. Members of the Committee shall receive subsistence and travel expenses as provided in G.S. 120-3.1 and G.S. 138-5.

(f) Staff. – The Legislative Services Commission, through the Legislative Services Officer, shall assign professional staff to assist the Council in its work. Upon the direction of the Legislative Services Commission, the Director of Legislative Assistants of the Senate and of the House of Representatives shall assign clerical staff to the Council. The expenses for clerical employees shall be borne by the Council.

§ 143-776. Powers and duties.

(a) Upon its establishment, the Council shall direct its initial focus on the following initiatives:

(1) Mapping the network of child-serving agencies and organizations in the State.

(2) Cataloging examples of failures in coordination, collaboration, and communication in the context of child protective services.

(3) Reviewing the work of bodies similar to the Council operating in other states to identify promising practices and focus areas for the Council’s work.

(b) Beginning July 1, 2020, the Council shall focus on promoting coordination, collaboration, and communication of child-serving agencies involved with the child protective services system. In addition, the Council shall do the following:

(1) Monitor the process of regionalization.

(2) Monitor the process of child welfare reform.

(3) Recommend changes in law, policy, or practice necessary to remedy gaps in coordination, collaboration, and communication between the new regional social services departments and other agencies and organizations involved with the same populations.

(c) By 2022, and thereafter, the Council shall expand the scope of its work to encompass evaluation of child-centered programs and services beyond the child protective services system. The Council shall take appropriate steps to identify gaps in coordination, collaboration, and communication and recommend changes in law, policy, or practice
necessary to remedy remaining gaps. The Council's authority extends to any publicly funded program that serves children.  

(d) The Council shall submit a report to the chairs of the Senate Appropriations Committee on Health and Human Services, the chairs of the House of Representatives Appropriations Committee on Health and Human Services, the Joint Legislative Oversight Committee on Health and Human Services, and the Fiscal Research Division by June 30 of each year. The report shall include a summary of the Council's work for the previous year, any findings and recommendations for change, and a work plan for the upcoming year.  

(e) The Council is authorized to accept gifts or grants from other sources to support administration of the Council."

SECTION 4.2.(a) There is appropriated from the General Fund to the Legislative Services Commission the sum of twelve thousand six hundred ninety-two dollars ($12,692) in nonrecurring funds for the 2018-2019 fiscal year for purposes of assisting the Child Well-Being Transformation Council established pursuant to Section 4.1 of this act.

SECTION 4.2.(b) This section becomes effective July 1, 2017.

PART V. DRIVERS LICENSE PILOT PROJECT

SECTION 5.1.(a) The General Assembly recognizes that not having a drivers license is a barrier to education, employment, health care, and other community-based activities for older youth in substitute care working toward independence. One of the biggest barriers to accessing a drivers license for such youth is the ability to obtain insurance. Therefore, to assist in this effort, the Department of Health and Human Services, Division of Social Services, shall establish a two-year pilot program that shall reimburse, on a first-come, first-served basis, youth and caregivers' costs associated with drivers license education, drivers license fees, insurance costs, and any other costs associated with obtaining a drivers license. The Division shall take appropriate steps to ensure proper advertising of the pilot program.

SECTION 5.1.(b) The Division of Social Services shall report on the pilot project to the Joint Legislative Oversight Committee on Health and Human Services by March 1, 2018.

SECTION 5.2.(a) There is appropriated from the General Fund to the Department of Health and Human Services, Division of Social Services, the sum of seventy-five thousand dollars ($75,000) for the 2017-2018 fiscal year and the sum of seventy-five thousand dollars ($75,000) for the 2018-2019 fiscal year to conduct the pilot project established pursuant to Section 5.1 of this act.

SECTION 5.2.(b) This section becomes effective July 1, 2017.

PART VI. PILOT WAIVER FOR IAFT FOSTER PARENTS

SECTION 6.(a) The General Assembly has determined that in an effort to maximize funding, local management entities/managed care organizations (LME/MCOs) are utilizing Intensive Alternative Family Treatment (IAFT), which is a means of cost-effective, specialized foster care treatment service that is being used for many youth who would have previously been treated in Medicaid congregate care, such as psychiatric residential treatment facilities. The General Assembly finds that these higher-need youth are often (i) suspended or expelled from school or day programs and (ii) require multiple appointments on a weekly basis to address needs, such as therapy, medication management, and school individual education plans (IEPs). Further, in accordance with rules, foster parents are required to maintain outside employment while providing foster care, but the constant demands of meeting the needs of these foster youth often lead to disruption in placement as the foster parent is unable to meet those needs while maintaining the parent's employment obligations.

SECTION 6.(b) To that end, the Department of Health and Human Services, Division of Social Services (Division), shall establish a pilot program that will allow the Division to waive the employment requirement for foster parents. The Division shall solicit
General Assembly Of North Carolina  
Session 2017

participation in the pilot program from interested LME/MCOs. The participating LME/MCOs shall conduct comparison measures between existing IAFT outcomes and those of pilots to determine any impact the waiver may have on outside employment. LME/MCOs shall measure progress of the pilot waivers based on the expectation of meeting the following outcomes:

- Improved placement stability with less than twenty percent (20%) of moves of youth occurring due to therapeutic foster parent request.
- Seventy-five percent (75%) of youth and families meeting their treatment goals within the projected time frame.
- No more than a ten percent (10%) increase in higher-level hospital bed days.

**SECTION 6.(c)** LME/MCOs participating in the IAFT pilot waiver program shall provide a report on the outcomes of the pilots, along with any recommendations, to the Division. The Division shall then submit a report on the pilot waiver program to the Joint Legislative Oversight Committee on Health and Human Services by December 1, 2018.

**PART VII. TERMINATION OF PARENTAL RIGHTS/TIME FRAME FOR APPEALS**

**SECTION 7.** G.S. 7B-1001(a)(5)b. reads as rewritten:

"(a) In a juvenile matter under this Subchapter, appeal of a final order of the court in a juvenile matter shall be made directly to the Court of Appeals. Only the following juvenile matters may be appealed:

- An order entered under G.S. 7B-906.2(b) with rights to appeal properly preserved, as follows:

  b. A party who is a parent shall have the right to appeal the order if no termination of parental rights petition or motion is filed within 180 days of the order."

**PART VIII. TIME FRAME FOR LICENSURE APPROVAL/FOSTER CARE**

**SECTION 8.1.** G.S. 131D-10.3 is amended by adding a new subsection to read:

"§ 131D-10.3. Licensure required.

…

(d1) Notwithstanding any other provision of law, the Department shall grant or deny a license to provide foster care or therapeutic foster care within three months from the date of application.

……"

**SECTION 8.2.** The Department of Health and Human Services, Division of Social Services, shall further examine the existing time frames for processing foster care and therapeutic foster care applications and determine methods to further reduce the time frames for approving or denying applications for licensure.

**PART IX. EFFECTIVE DATE**

**SECTION 9.** Except as otherwise provided, this act is effective when it becomes law.