

2015 Legislative Session Summary

INTRODUCTION

Each year, our elected representatives have an extraordinary opportunity to use public policy to improve the lives of children and families in North Carolina. By expanding access to high-quality health care, strengthening our schools and early learning opportunities, and growing economic opportunity, policymakers can change a child's life trajectory. Conversely, policy decisions can also create or worsen barriers to opportunity and success.

Aside from a few exceptions, the policies and budget decisions approved by legislators in 2015 were insufficient to meet the myriad challenges faced by North Carolina's children and families. Specifically, the General Assembly:

- Maintained recession-era levels of investment in children's health and education.
- Implemented additional cuts to state revenue.
- Failed to close the health insurance coverage gap, leaving thousands of parents without health care and vulnerable to devastating medical debt.

While legislators took positive, incremental steps on a number of fronts, the impact of those policies will be limited by the overall lack of resources that permeates our health care, education, and justice systems.



A STRONG START—The first 2,000 days of a child's life have a lasting impact on later learning, health, and success.

NC Pre-K funding—The final budget includes \$2.3M in state funding and an additional \$2.7M of lottery funding to retain NC Pre-K slots that would have expired due to a non-recurring allocation in the previous year's budget. The total number of NC Pre-K slots is unchanged.

Early Childhood Study—The budget directs the Joint Legislative Oversight Committee on Health and Human Services to appoint a subcommittee to study early childhood and family support programs, including the Child Care subsidy program, NC PreK and Smart Start. The subcommittee shall develop a proposal for a statewide plan that addresses county or regional needs of children by April 1, 2016.

Market Rate Increase—The budget includes a market rate increase for infant and young toddler child care providers who participate in the child care subsidy program. This means that providers get more money per child, which should help to address the current shortage of high-quality care for infants.



HEALTH AND WELLNESS—Healthy children perform better in school and in life.

HB372, Medicaid Transformation and Reorganization—After months of debate, the House and Senate approved a compromise plan to move North Carolina's Medicaid system to managed care, administered through commercial Managed Care companies and Provider Led Entities. The approved legislation establishes a framework for a new Medicaid delivery system, but most details will be proposed by the new Division of Health Benefits and then approved by the federal government after a prolonged period of negotiation. Here are some of the basic parameters of the new system:

- A new Division of Health Benefits with a Director confirmed by the General Assembly will develop and oversee the reformed Medicaid program;
- The Division of Medical Assistance is eliminated 12 months after capitated contracts begin;
- The Division of Health Benefits must submit waivers to the federal government for the new Medicaid system by June 1, 2016;
- Medicaid services will be administered by a combination of 3 statewide commercial prepaid health plans and up to 10 regional contracts with Provider Led Entities in 6 regions;
- All Medicaid services are included in the capitated contracts except dental and LME/MCOs, which are exempted for the first four years of the new system;
- Managed care providers are responsible for all administrative functions, including grievances and appeals;
- The Medical Loss Ratio is set at a minimum of 88%;
- DHHS must renegotiate CCNC's contract by July 1, 2016 to reduce PMPM payments by 15%;
- CCNC's contract terminates when the new managed care system is up and running;
- There is a new Legislative Oversight Committee on Medicaid and Health Choice.

HB158, Jim Fulghum Teen Skin Cancer Prevention Act—This bill prohibits minors from using tanning salons, which should have a positive impact on skin cancer rates for youth and young adults.

HB13, School Health Assessment—This bill requires every child entering the K-12 school system for the first time to have a health assessment. The bill also specifies that children cannot be suspended for missing class due to a lack of a health assessment and that such children will be provided an opportunity to make up the coursework.

SB279, Amend Qualifications / Practice of Counseling—This bill would expand the list of people allowed to approve sex ed curricula from credentialed sexual health education experts to any credentialed expert in the following fields: sexual health education, adolescent psychology, behavioral counseling, medicine, human anatomy, biology, ethics or health education. There is some concern that this could open the door for abstinence-only education. The bill also adds information about sex trafficking to the required curriculum. There was an attempt in the House to add several provisions to the bill that would restrict local governments from passing laws related to employment, wage, housing and other areas if such laws were beyond existing state law. These provisions were unable to meet approval in the House, and the bill was enacted with only the curriculum changes and the original counseling provisions.

SB676, Autism Health Insurance Coverage—After months of delay, the House and Senate agreed to a compromise version of Senate Bill 676 on the final full day of session. The bill requires insurance companies to cover treatments for Autism for children under 18, beginning in July, 2016. The coverage caps adaptive behavior treatment at \$40,000 per year.

HB765, the Regulatory Reform Act of 2015—The Senate version of this bill would have lowered the minimum age to drive an ATV to six years old. Fortunately, the final compromise version of the bill does not include this provision.

SB286, Regulate the Sale of E-liquid Containers—This bill requires that all liquid nicotine products that are intended to be vaporized have child-resistant packaging and those that contain nicotine must be so labeled.

HB465, Women's and Children's Protection Act of 2015—This bill started out focused solely on abortion, but Senate leadership combined the abortion modifications with a variety of non-controversial provisions relating to the health and safety of women and children, including:

- Clarifying the definition of statutory rape;
- Administrative changes to improve the collection of child support;
- Making violence in front of a minor an aggravating sentencing factor;
- Strengthening laws requiring sex offenders to stay away from places frequented by children;
- Establishing a Maternal Mortality Review Committee within DHHS to study and recommend ways to prevent deaths resulting from pregnancy or childbirth complications.

Infant Mortality Prevention—The final budget includes funding to reduce infant mortality: \$375,000 to the ECU High Risk Maternity Clinic, \$45,000 to the Safe Sleep campaign, \$350,000 to the March of Dimes, and \$52,000 for the 17P program. It also funds \$2.5 million in state funds for a competitive block grant process for county

health departments to increase access to prenatal care and improve birth outcomes and allocates \$1.575 million from the Maternal and Child Health Block Grant for evidence-based programs in counties with the highest infant mortality rates.

Funding for Mental Health Treatment—The final budget includes a significant cut to the agencies (LME/MCOs) that provide mental health services: \$111M in '15-16 and \$153M in '16-17, and replaces it with existing LME/MCO cash balances.

Bills that did not pass in 2015 but are eligible in the 2016 short session:

SB298, School Bus Cameras / Civil Penalties—This bill would allow local governments to use school bus cameras to pursue civil charges against drivers who pass illegally as children are getting on and off the bus and to assess those drivers a fine. The bill passed the Senate, but stalled in the House.

HB 847, Parental Rights & Medical Treatment for Minors—As originally filed, HB 847 would require minors to get parental consent for all medical treatment, including for mental health and substance abuse services. These “minor consent” provisions were removed from the bill before passing the House April 29th. The bill now contains 2 provisions: 1) The right of a parent or guardian to follow treatment recommended by “a licensed health care provider or licensed provider of mental health services” and not be subjected to an abuse or neglect investigation even if it is an immediate, life-threatening situation; and 2) Adds a new section to the Chapter 115C (Education) that would state a fundamental parents’ right to direct the upbringing, education, and care of his or her child. This second provision was amended on the House floor to clarify that this right shall not be construed to create any additional rights or impose any additional obligations than otherwise exist under federal and State law. It was referred to the Senate Judiciary II committee in July, but was not taken up.

HB250, Healthy Food Small Retailer/Corner Store Act—This bill would establish the Healthy Food Small Retailer Fund, which would provide financial assistance to targeted corner stores to help them stock fruits and vegetables. The bill passed the House, but was not taken up in the Senate.



ECONOMIC SECURITY—Children living in financially secure families are more likely to succeed in school, stay healthy, and achieve economic self-sufficiency as adults.

Child Care Assistance—The budget agreement partially restores access to child care assistance, making it possible for more families to get good child care for their children while they work or go to school. Specifically, the budget redefines “family income unit,” so that the income of relative caregivers, like grandparents, doesn’t count against a child’s eligibility. The budget also reestablishes a prorated parent fee for part-time child care.

HB318, Protect North Carolina Workers Act—This bill includes a number of provisions regarding undocumented immigrants in addition to new restrictions on food assistance. With regards to immigration, the bill contains two primary provisions: 1. It limits the types of IDs that are considered valid by the government, which could limit children's access to education and other services; 2. It bans "sanctuary cities" where local law enforcement isn't required to cooperate with federal deportation efforts. The food assistance provision cuts the amount of time childless adults can receive food assistance, even though it is 100% federally funded.

HB556, the ABLE Act—This bill allows people with disabilities and parents of children with disabilities to set up 529 savings accounts to pay for expenses associated with the disability.

SB15, Unemployment Insurance Law Changes—Among other changes, this bill would require recipients of Unemployment Insurance to make five job contacts per week, which is up from two. Critics of the proposed change argued that this will be overly burdensome for the unemployed and flood employers with applications from people who are unqualified.



NURTURING HOMES AND COMMUNITIES—Children thrive when they grow up in safe, stable, and nurturing environments.

Child Welfare Case Management System—Currently, the state of North Carolina is unable to track children in the child welfare system across county lines, which leads to obvious safety concerns. Funding for a new software system to track these children was included in the Senate budget, but not included in the final budget.

Foster Care through Age 21—The final budget increased the age of foster care to 21, which would provide critical support for children in foster care as they move towards independence; this provision was included in the final budget.

SB423, Foster Care Family Act—The purpose of this bill is create a more normal family environment, reduce stigma, and improve outcomes for children in foster care. Specifically, the bill would open the door for children in foster care to participate in normal, age-appropriate activities like spending the night at a friend's house, playing a sport, and getting a driver's license. The bill would also allow DHHS to pursue a Medicaid waiver and would provide liability insurance for foster parents.

SB238, Stalking by GPS / Criminal Offense—This bill adds GPS tracking to the state's anti-stalking laws. Specifically, the bill would prevent anyone from using a GPS device to track the movement of another person without their knowledge and consent. The bill does include exceptions for law enforcement, parents of minors, and others.

HB134, Soliciting Prostitution/Immunity for Minors—This bill would provide immunity for minors charged with soliciting prostitution. The bill closes a loophole left by the human trafficking bill passed last session, which provided immunity for the act of prostitution, but not soliciting prostitution.

HB 792, Privacy/Protection from Revenge Postings—This bill is an attempt to prevent “revenge porn” postings on internet sites, a troubling trend that has led to illicit pictures of adolescent girls being posted without their knowledge or consent. It creates a new criminal offense for posting private pictures within the context of a relationship. The bill also creates civil liability for the same act.

HB879, Juvenile Code Reform—This bill includes a variety of code revisions with the purpose of improving due process, confinement, and reentry of juveniles. The bill is on NC Child’s legislative agenda.

Juvenile Justice Residential Beds—The budget included \$2M in additional funding for residential beds for detained youths, which will expand capacity at Level II residential facilities and support crisis beds as an alternative to detention.

Bills that did not pass in 2015 but are eligible in the 2016 short session:

SB652, Prohibit Rehoming of an Adopted Minor Child—This bill would make it illegal for adoptive parents to “re-home” (give away) their adopted child without a court order. This shameful trend has been on the rise across the country and needs to end. This bill passed the Senate, but was not taken up in the House.



HIGH-QUALITY EDUCATION—High quality education, from pre-kindergarten through college and beyond, provides children with the best opportunity for long-term life success.

Teacher Pay—The base salary for all new teachers is \$35,000, up from \$33,000. All teachers also receive a one-time bonus of \$750.

Teacher Assistants—The number of teacher assistants will be maintained at 2014-15 levels, but no teacher assistant funding can be diverted for other purposes like teacher salaries.

HB358, School Performance Grade Scale—The newly implemented school grading scale was scheduled to adopt more stringent performance measures starting this school year. This bill maintains the current, slightly more lenient grading scale for the next two years. This is largely in response to the low grades many schools, particularly those in low-income areas, received last year.

Driver’s Education—The final budget continues funding for Driver’s Education for one year. It directs the Joint Legislative Oversight Committee to study data gathered

by local boards of education, along with other research and past recommendations of the Program Evaluation Division, and make recommendations on the program.

Bills that did not pass in 2015 but are eligible in the 2016 short session:

SB343, Student Assault on Teacher/Felony Offense—This bill would make assault on a school employee an A1 misdemeanor for the first offense and Class H felony for the second offense. This means that a student could be charged with a high-level misdemeanor or felony without making any physical contact with a school employee. The bill passed the Senate, but was not taken up in the House.

HB539, Charter School Funding—After this bill passed the House, the Senate introduced and approved a new version, which would require school districts to provide charter schools with funding even if they do not provide the services associated with that funding. For instance, charter schools could receive funding for the federally-backed school lunch program even if they don't provide free and reduced lunches for their students. The House chose not to take up the revised bill at the end of session, but it could come back in 2016.

HB803, School Performance Scores—This bill changes the formula for school performance grades from 80% test scores / 20% student growth to 50% test scores / 50% student growth. The bill passed the House, but was not taken up in the Senate.

Below is a summary of other bills that did not pass and don't fit neatly into a category, but will be eligible for short session and could have a significant impact on children:

SB607, Taxpayer Protection Act—The Senate approved **SB607**, which is a constitutional amendment that would dramatically limit North Carolina's ability to invest in our children and families by imposing an arbitrary spending cap. The amendment would also cap the state income tax at 5% and mandate specific funding levels for the state's rainy day fund. A 2/3 majority of legislators would have to approve any changes to the spending limit, income tax cap, or rainy day fund provisions.

The amendment now goes to the House where it must be approved by a 3/5 vote to go on the ballot. It will be eligible for consideration during the 2016 short session.

HB805, Measurability Assessments—This bill would allow the General Assembly to request a measurability assessment for any state program to gauge its need, evidence-base, and ROI. The assessments would be carried out by independent assessors who would be selected by the Office of State Budget and Management. The bill passed the House, but wasn't heard in the Senate.

HB813, Results First Framework—This bill would authorize the Office of State Budget and Management to work with Pew's Results First program to apply its costs-benefits model to North Carolina's publicly funded programs. The bill would also require state-funded agencies to maintain a information system that makes accountability information available to the public. The bill passed the House, but wasn't heard in the Senate.