

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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HOUSE BILL 412
Committee Substitute Favorable 4/8/25
Third Edition Engrossed 4/15/25
Senate Health Care Committee Substitute Adopted 5/22/25

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 ESTABLISH A
3 WORKGROUP TO EXAMINE POTENTIAL FOR DEVELOPMENT OF GROUP
4 LIABILITY INSURANCE PLAN OPPORTUNITIES FOR CERTAIN ENTITIES
5 PROVIDING SERVICES FOR MINORS.

6 The General Assembly of North Carolina enacts:

7
8 **PART I. REGULATORY CHANGES**

9 **SECTION 1.2.** G.S. 110-91 reads as rewritten:

10 "**§ 110-91. Mandatory standards for a license.**

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

27 ...

28 (6) Space and Equipment Requirements. – There shall be no less than 25 square
29 feet of indoor space for each child for which a child care center is licensed,
30 exclusive of closets, passageways, kitchens, and bathrooms, and this floor
31 space shall provide during rest periods 200 cubic feet of airspace per child for
32 which the center is licensed. There shall be adequate outdoor play area for
33 each child under rules adopted by the Commission which shall be related to
34 the size of center and the availability and location of outside land area. In no



1 event shall the minimum required exceed 75 square feet per child. The outdoor
 2 area shall be protected to assure the safety of the children receiving child care
 3 by an adequate fence or other protection. A center operated in a public school
 4 shall be deemed to have adequate fencing protection. A center operating
 5 exclusively during the evening and early morning hours, between 6:00 P.M.
 6 and 6:00 A.M., need not meet the outdoor play area requirements mandated
 7 by this subdivision.

8 Each child care facility shall provide indoor area equipment and
 9 furnishings that are child size, sturdy, safe, and in good repair. Each child care
 10 facility that provides outdoor area equipment and furnishings shall provide
 11 outdoor area equipment and furnishings that are child size, sturdy, free of
 12 hazards that pose a threat of serious injury to children while engaged in normal
 13 play activities, and in good repair. The Commission shall adopt standards to
 14 establish minimum requirements for equipment appropriate for the size of
 15 child care facility. Space shall be available for proper storage of beds, cribs,
 16 mats, cots, sleeping garments, and linens as well as designated space for each
 17 child's personal belongings.

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

28"

29 **SECTION 1.3.** G.S. 110-91(7)a. reads as rewritten:

30 "a. The Commission shall adopt rules for child care centers regarding
 31 staff-child ratios, group sizes and multi-age groupings other than for
 32 infants and toddlers, provided that these rules shall be no less stringent
 33 than those currently required for staff-child ratios as enacted in Section
 34 156(e) of Chapter 757 of the 1985 Session Laws.

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

38 Age	Ratio Staff/Children	Group Size
39 0 to 12 months	1/5	10 <u>15</u>
40 12 to 24 months	1/6	12 <u>18</u>
41 2 to 3 years	1/10	20.

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

47 1a. If a child care center is operating under voluntary enhanced
 48 requirements, the maximum group size for toddlers aged 2 to
 49 3 years may be increased from 18 to 20 children when the child
 50 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>
<u>0 to 12 months</u>	<u>1/4</u>	<u>12</u>
<u>12 to 24 months</u>	<u>1/5</u>	<u>15</u>
<u>2 to 3 years</u>	<u>1/8</u>	<u>20.</u>

...."

SECTION 1.4. G.S. 110-91(8) reads as rewritten:

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

a. All child care center administrators shall be at least 21 years of age. All child care center administrators shall have the North Carolina Early Childhood Administration Credential or its equivalent as determined by the ~~Department.~~ Department or the School-Age Administration Credential when exclusively providing school-age child care. All child care administrators performing administrative duties as of the date this act becomes law and child care administrators who assume administrative duties at any time after this act becomes law and until September 1, 1998, shall obtain the required credential by September 1, 2000. Child care administrators who assume administrative duties after September 1, 1998, shall begin working toward the completion of the North Carolina Early Childhood Administration Credential or its ~~equivalent~~ equivalent, or the School-Age Administration Credential when exclusively providing school-age child care, within six months after assuming administrative duties and shall complete the credential or its equivalent within two years after beginning work to complete the credential. Each child care center shall be under the direction or supervision of a person meeting these requirements. All staff counted toward meeting the required staff-child ratio shall be at least 16 years of age, provided that persons younger than 18 years of age work under the direct supervision of a credentialed staff person who is at least 21 years of age.

b. All lead teachers in a child care center shall have at least a North Carolina Early Childhood Credential or its equivalent as determined by the Department. Lead teachers shall either (i) be enrolled in the North Carolina Early Childhood Credential coursework or its equivalent as determined by the Department within six months after becoming employed as a lead teacher or within six months after this act becomes law, whichever is later, and shall complete the credential or its equivalent within 18 months after enrollment. ~~enrollment~~ or (ii) have a minimum of five years of documented experience teaching in a licensed child care facility in this State which shall be deemed equivalent to the North Carolina Early Childhood Credential.

c. Only administrators and lead teachers in licensed child care centers are required to have a North Carolina Early Childhood Credential or its equivalent as determined by the Department. All other staff shall meet the standards established by the Commission for their positions that do not include a North Carolina Early Childhood Credential or its equivalent as determined by the Department.

- 1 d. For child care centers licensed to care for 200 or more children, the
2 Department, in collaboration with the North Carolina Institute for
3 Early Childhood Professional Development, shall establish categories
4 to recognize the levels of education achieved by child care center
5 administrators and teachers who perform administrative functions.
6 The Department shall use these categories to establish appropriate
7 staffing based on the size of the center and the individual staff
8 responsibilities.
- 9 e. Effective January 1, 1998, an operator of a licensed family child care
10 home shall be at least 21 years old and have a high school diploma or
11 its equivalent. Operators of a family child care home licensed prior to
12 January 1, 1998, shall be at least 18 years of age and literate. Literate
13 is defined as understanding licensing requirements and having the
14 ability to communicate with the family and relevant emergency
15 personnel. Any operator of a licensed family child care home shall be
16 the person on-site providing child care.
- 17 f. The Commission shall adopt standards to establish appropriate
18 qualifications for all staff in child care centers. These standards shall
19 reflect training, experience, education and credentialing and shall be
20 appropriate for the size center and the level of individual staff
21 responsibilities. It is the intent of this provision to guarantee that all
22 children in child care are cared for by qualified people. Pursuant to
23 G.S. 110-106, no requirements may interfere with the teachings or
24 doctrine of any established religious organization. The staff
25 qualification requirements of this subdivision do not apply to
26 religious-sponsored child care facilities pursuant to G.S. 110-106."

27 **SECTION 1.7.** Section 8 of S.L. 2024-34 is amended by adding a new subsection to
28 read:

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

34 **SECTION 1.8.** The Weikart Youth Program Quality Assessment ("Weikart
35 Program") shall be added as an assessment tool for evaluating out-of-school child care programs
36 and awarding of a star-rating. The Department of Health and Human Services, Division of Child
37 Development and Early Education, shall complete the necessary crosswalk evaluation of the
38 Weikart Program and have it available for applicants to use not later than one year after the date
39 this act becomes law.

40 **SECTION 1.9.** Notwithstanding any other provision of law, rule, or regulation, the
41 Department of Health and Human Services, Division of Child Development and Early Education
42 (Division), shall, for courses offered by a community college in the North Carolina Community
43 Colleges System (NCCCS), assign credit for continuing education courses on the same basis as
44 curriculum courses designated by NCCCS as equivalent to the continuing education courses for
45 the purpose of providing any credential offered by the Division.

46 **SECTION 1.10.** The Department of Health and Human Services, Division of Child
47 Development and Early Education, shall:

- 48 (1) Not later than December 1, 2025, and in consultation with the North Carolina
49 Community Colleges System, create a North Carolina School
50 Age/Out-of-School Care Credential that aligns with a new curriculum course

1 and continuing education course entitled "Introduction to School Age Care
2 and Education."

- 3 (2) Award the North Carolina Early Childhood Administration Credential or the
4 North Carolina Family Child Care Credential to individuals who have
5 successfully completed continuing education courses that are equivalent to
6 child care curriculum courses, as determined by the Community Colleges
7 System. The Community Colleges System shall ensure that the continuing
8 education courses are comparable to the corresponding curriculum courses in
9 course descriptions, competencies, and hour requirements and shall state the
10 credential that is to be awarded for each continuing education course.

11 **SECTION 1.11.** The Child Care Commission shall adopt or amend any rules to
12 ensure uniformity and consistency in application of the exemptions for school-age children in
13 out-of-school child care programs as provided in this section.

14 **SECTION 1.12.** The Child Care Commission shall adopt or amend any rules to
15 ensure uniformity and consistency in application of the provisions of this act.
16

17 **PART II. ESTABLISH WORKGROUP TO EXAMINE POTENTIAL FOR**
18 **DEVELOPMENT OF GROUP LIABILITY INSURANCE PLAN OPPORTUNITIES**
19 **FOR CERTAIN ENTITIES PROVIDING SERVICES FOR MINORS**

20 **SECTION 2.1.** The Commissioner of the Department of Insurance shall establish a
21 workgroup to examine the potential for developing group liability insurance plan opportunities
22 for all child care providers and for all nongovernmental contractors that contract with the
23 Department of Health and Human Services and any county or local agency administering
24 programs of public assistance pursuant to Chapter 108A of the General Statutes for the provision
25 of services to minors which are licensed under Article 2 of Chapter 122C of the General Statutes
26 or Article 1A of Chapter 131D of the General Statutes. The workgroup shall consist of
27 representatives from all of the following:

- 28 (1) The Department of Insurance.
29 (2) The insurance industry.
30 (3) NC Licensed Child Care Association.
31 (4) The Department of Health and Human Services, Division of Child
32 Development and Early Education.
33 (5) The American Tort Reform Association.
34 (6) Benchmarks NC.

35 **SECTION 2.2.** The workgroup shall develop findings and recommendations related
36 to at least the following:

- 37 (1) Potential methods for creating group liability insurance plan opportunities for
38 all child care providers.
39 (2) Reforms that could reduce group liability insurance plan premiums.
40 (3) Tort reforms that could reduce the liability damages of child care providers.

41 **SECTION 2.3.** By January 1, 2026, the Department of Insurance shall report the
42 findings and recommendations of the workgroup to the Joint Legislative Oversight Committee
43 on Health and Human Services, the Joint Legislative Oversight Committee on General
44 Government, and the Fiscal Research Division.
45

46 **PART III. EFFECTIVE DATE**

47 **SECTION 3.1.** This act is effective when it becomes law.