

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2017

**H.B. 608**  
**Apr 5, 2017**  
**HOUSE PRINCIPAL CLERK**

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HOUSE BILL DRH20040-LUa-27D\* (01/18)

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

Sponsors: Representatives Stevens and Lewis (Primary Sponsors).

Referred to:

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

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

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

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

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

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

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

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



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

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

6           Whereas, for the aforementioned reasons, North Carolina requires a plan of action to  
7 systematically reform the child welfare system and reduce the number of departments of social  
8 services to allow for better supervision and administration of social services programs; Now,  
9 therefore,

10 The General Assembly of North Carolina enacts:

11  
12 **PART I. REGIONAL SOCIAL SERVICES DEPARTMENTS; WORKING GROUP**

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

- 22           (1) Preliminary plan. – The Department shall prepare a preliminary plan that  
23 incorporates recommendations submitted to the Department by the Social  
24 Services Regionalization Working Group created under Section 1.2 of this  
25 act. In developing the preliminary plan, the Department shall implement a  
26 process for soliciting stakeholder input on the plan. The Department shall  
27 submit the preliminary plan to the Joint Legislative Oversight Committee on  
28 Health and Human Services by January 15, 2019.
- 29           (2) Final plan. – The Department shall revise the preliminary plan to incorporate  
30 changes based on information it receives from stakeholders. The final plan  
31 shall include a proposed time line for completing the transition to a regional  
32 social services system by January 1, 2022. The Department shall submit the  
33 final plan to the Joint Legislative Oversight Committee on Health and  
34 Human Services (Committee) by March 31, 2019. If the Department fails to  
35 submit a final plan to the Committee by March 31, 2019, then the  
36 Committee shall proceed with developing its own plan for regionalization.

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

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

- 43           (1) Three members of the Senate upon recommendation of the President Pro  
44 Tempore of the Senate, one of whom shall be designated as a cochair.
- 45           (2) Three members of the House of Representatives upon recommendation of  
46 the Speaker of the House of Representatives, one of whom shall be  
47 designated as a cochair.
- 48           (3) Three representatives from the Department of Health and Human Services  
49 upon recommendation of the Secretary of Health and Human Services, or the  
50 Secretary's designee.
- 51           (4) One designee of the Chief Justice of the North Carolina Supreme Court.

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

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

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

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

12 (1) Social Services Commission.

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

14 (3) Guardian ad Litem program.

15 (4) Office of Indigent Defense Services.

16 (5) North Carolina Partnership for Children, Inc.

17 (6) Disability Rights of North Carolina.

18 (7) Benchmarks NC.

19 (8) North Carolina Association of Local Health Directors.

20 (9) North Carolina Council of Community Programs.

21 (10) North Carolina Emergency Management Association.

22 (11) North Carolina Child Support Council.

23 (12) North Carolina Pediatric Society.

24 (13) AARP North Carolina.

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

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

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

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

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

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

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

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

45 (5) Strive to align the new regions with both county borders and judicial districts  
46 in order to ensure seamless connections between child welfare, adult  
47 protective services, child support enforcement, and the judicial system.

48 (6) Consider the implications of making the regional agencies public authorities,  
49 as defined in G.S. 159-7(10), and identify policy and administrative issues  
50 that would need to be addressed in legislation when creating the authorities.

- 1 (7) Identify one or more options for maintaining county contributions to social  
2 services programs at appropriate levels to ensure adequate services are  
3 available throughout the region and each county in a region is financially  
4 accountable for the proportion of services provided in that county.
- 5 (8) Propose a governance structure for the regional agencies that, at a minimum,  
6 requires a governing board, outlines the process for appointing board  
7 members, and requires at least one county commissioner from each county  
8 within the region to serve on a governing board.
- 9 (9) Propose powers and duties of the governing board, which shall include the  
10 authority to hire and supervise the director of the regional agency.
- 11 (10) Consider the leadership needs for the regional agencies, including the  
12 minimum qualifications for the agency director, as well as the necessary  
13 powers and duties of the director.
- 14 (11) Propose safeguards to ensure that the regional agencies maintain effective  
15 working relationships with the other human services agencies and  
16 stakeholders serving the same counties.
- 17 (12) Consider the implications of having personnel of the regional agencies  
18 exempt from or subject to Chapter 126 of the General Statutes.
- 19 (13) Consider the implications of regionalization of social services for counties  
20 that have established consolidated human services agencies pursuant to  
21 G.S. 153A-77 and explore options for integrating regionalized  
22 administration into the framework of consolidated agencies, granting  
23 exemptions to regionalization for consolidated agencies, authorizing regional  
24 consolidated human services agencies, and reversing consolidations.

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

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

- 34 (1) Convene and facilitate meetings.
- 35 (2) Provide necessary clerical and administrative support.
- 36 (3) Prepare the Working Group's preliminary and final reports.
- 37 (4) Provide technical assistance, as appropriate.

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

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

48 **SECTION 1.5.** Sections 1.3 and 1.4 of this act become effective July 1, 2017.

49  
50 **PART II. REFORMING STATE SUPERVISION AND ACCOUNTABILITY OF THE**  
51 **STATE'S CHILD WELFARE SYSTEM**

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

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

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

- 30           (1) Visioning and an overarching strategic direction for the Department of  
31           Health and Human Services, Division of Social Services.
- 32           (2) Collection, analysis, and effective use of data.
- 33           (3) Leadership and governance at the State level.
- 34           (4) Changes necessary to ensure well-trained and adequately compensated staff  
35           to improve performance and reduce turnover.
- 36           (5) Practice and implementation, including:
  - 37           a. Ensuring a statewide, trauma-informed, culturally competent,  
38           family-centered practice framework.
  - 39           b. Incorporating more evidence-based practices, including  
40           evidence-informed prevention services designed to reduce the  
41           number of children entering foster care.
  - 42           c. Specifying expectations regarding professional development,  
43           training, and performance standards.
  - 44           d. Eliminating unnecessary barriers to licensing foster care and  
45           therapeutic foster care families to ensure an adequate supply of  
46           qualified families.
  - 47           e. Improving provider and foster parent feedback loops. For purposes of  
48           this sub-subdivision, "feedback loops" refers to a situation in which a  
49           portion of the output of a situation is used for new input.
  - 50           f. Performing time use and salary surveys for Division of Social  
51           Services staff.

- 1 g. Promoting relationship-building across agencies and providers.  
2 h. Implementing family supports for adoptions, which includes (i)  
3 collecting data on the incidence of disrupted adoptions and unlawful  
4 transference of children in North Carolina, (ii) the outcomes for  
5 children and families associated with disrupted adoptions, and (iii)  
6 the provision of supports needed to assist families at risk of  
7 disruption in order to keep those families together.  
8 i. Maintaining sibling groups, in accordance with the "Fostering  
9 Connections to Success and Increasing Adoptions Act of 2008."  
10 j. Developing a statewide, standardized functional assessment to be  
11 used for case planning, service referrals, and to enhancing  
12 executive-level decision making around resource allocation and other  
13 system reform efforts.

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

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

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

21 (1) Ensure the plan complies with the requirements of the federal Child and  
22 Family Services Review Program Improvement Plan effective January 1,  
23 2017.

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

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

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

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

50 (1) The Office of State Budget and Management (OSBM) shall report to the  
51 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

1 department of social services, a consolidated human services agency, or a  
2 regional social services department, whichever applies; applies.  
3 (2) "County director of social services" also means the Director of social  
4 services. – The person responsible for managing and administering the  
5 department of social services, including a county social services director, a  
6 regional social services director, or a human services director, whichever  
7 applies; and applies.  
8 (3) "County board of social services" also means the Board of social services. –  
9 The governing body responsible for oversight of the department of social  
10 services, a regional board of social services, a consolidated human services  
11 board, or a board of county commissioners that has assumed the powers and  
12 duties of a social services governing board pursuant to G.S. 153A-77(a),  
13 whichever applies.  
14 (4) Child welfare program. – Protective services related to juveniles alleged to  
15 be abused, neglected, or dependent as required by Chapter 7B of the General  
16 Statutes and includes the placement of children in substitute care.  
17 (a1) The Secretary shall develop a standard set of performance and outcome metrics for  
18 child welfare services. Departments of social services shall satisfy mandated performance  
19 requirements that are based on those metrics.  
20 (a2) If a department of social services fails to meet the performance requirements for  
21 three consecutive months or for five months within any consecutive 12-month period, the  
22 Secretary and the department of social services shall enter into a joint corrective action plan  
23 within 60 working days. The plan shall specifically identify each of the following components:  
24 (1) The duration of the joint corrective action plan, not to exceed 12 months. If  
25 the Secretary determines that the department of social services has not  
26 shown measurable progress within six months, the Secretary may summarily  
27 conclude that the department of social services has failed to successfully  
28 complete a joint corrective plan and may proceed with steps necessary to  
29 temporarily assume administrative responsibilities of the department of  
30 social services. If the Secretary determines the department of social services  
31 has shown measurable progress within six months, the Secretary may extend  
32 the joint corrective action plan by six months, but in no case shall a joint  
33 corrective action plan exceed 18 months.  
34 (2) The performance requirements for the department of social services that  
35 constitute successful completion of the joint corrective action plan.  
36 (3) An acknowledgement that failure to successfully complete the joint  
37 corrective action plan shall result in temporary assumption of all or part of  
38 the department of social services' child welfare program administration.  
39 (b) If the Secretary of Health and Human Services determines that a county department  
40 of social services is not providing child protective services, foster care services, or adoption  
41 services in accordance with State law and with applicable rules adopted by the Social Services  
42 Commission, or fails to demonstrate reasonable efforts to do so, has failed to successfully  
43 complete the joint corrective action plan, then the Secretary, after providing written notification  
44 of intent to the county director of social services, to the chair of the county board of  
45 commissioners, and to the chair of the county board of social services, and after providing them  
46 with an opportunity to be heard, may intervene in the particular service or services in question.  
47 Intervention includes, but is not limited to, the following activities: Secretary shall give the  
48 board of county commissioners, the department of social services, the county manager, and the  
49 board of social services at least 30 days' notice that the Secretary intends to temporarily assume  
50 all or part of the department's child welfare program administration in accordance with  
51 subsection (c) of this section. In a regional department of social services, notice shall be



1 provided to boards of county commissioners and county managers for all counties served by the  
2 region.

- 3 ~~(1) Sending staff of the Department of Health and Human Services to the county~~  
4 ~~department of social services to provide technical assistance and to monitor~~  
5 ~~the services being provided;~~  
6 ~~(2) Establishing a corrective plan of action to correct inappropriate policies and~~  
7 ~~procedures; and~~  
8 ~~(3) Advising county personnel as to appropriate policies and procedures.~~

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

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

- 31 ~~(1) The Secretary shall administer the child welfare program in a county or~~  
32 ~~region. Administration by the Secretary may include direct operation by the~~  
33 ~~Department, including supervision of child welfare program staff, or~~  
34 ~~contracts for operation, to the extent permitted by federal law.~~  
35 ~~(2) The department of social services shall be divested of administrative~~  
36 ~~authority for any component of the child welfare program the Secretary~~  
37 ~~assumes.~~  
38 ~~(3) The director of social services shall be divested of all service delivery~~  
39 ~~powers conferred upon the director by G.S. 108A-14 and other applicable~~  
40 ~~State law as it pertains to the services in question. The Secretary may assign~~  
41 ~~any of the powers and duties of the director of social services to the Director~~  
42 ~~of the Division of Social Services of the Department or a contractor, as the~~  
43 ~~Secretary deems necessary and appropriate to continue the provision of~~  
44 ~~services in the county. If the director delegates any authority to staff~~  
45 ~~pursuant to G.S. 108A-14(b), delegated authority shall remain in effect until~~  
46 ~~the Secretary, or the Secretary's designee, specifically revokes the~~  
47 ~~delegation.~~  
48 ~~(4) The Secretary shall direct and oversee the expenditure of all funding for the~~  
49 ~~administration of the components of the child welfare program assumed by~~  
50 ~~the Secretary.~~

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

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

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

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

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

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

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

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

48          **SECTION 3.2.** Section 3.1 of this act becomes effective six months after all 100  
49          counties in the State have implemented the child welfare component to the North Carolina  
50          Families Accessing Services through Technology (NC FAST) system.  
51

**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:

"Article 81.

"Child Well-Being Transformation Council.

**"§ 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

1 be a representative from Disability Rights NC who shall serve a one-year  
2 term, and one shall be a representative from the North Carolina Pediatric  
3 Society who shall serve a one-year term.

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

8 (d) Organization. – The Council shall elect from its membership a chair and vice-chair  
9 to each serve one-year terms. The Council shall meet on a quarterly basis each year upon the  
10 call of the chair. A quorum of the Council is seven members. No action may be taken except by  
11 a majority vote at a meeting at which a quorum is present. The Open Meetings Law pursuant to  
12 Article 33 of Chapter 143 of the General Statutes and the Public Records Act under Chapter  
13 132 of the General Statutes shall apply to the Council.

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

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

23 **"§ 143-776. Powers and duties.**

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

- 26 (1) Mapping the network of child-serving agencies and organizations in the  
27 State.
- 28 (2) Cataloging examples of failures in coordination, collaboration, and  
29 communication in the context of child protective services.
- 30 (3) Reviewing the work of bodies similar to the Council operating in other states  
31 to identify promising practices and focus areas for the Council's work.

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

- 35 (1) Monitor the process of regionalization.
- 36 (2) Monitor the process of child welfare reform.
- 37 (3) Recommend changes in law, policy, or practice necessary to remedy gaps in  
38 coordination, collaboration, and communication between the new regional  
39 social services departments and other agencies and organizations involved  
40 with the same populations.

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

47 (d) The Council shall submit a report to the chairs of the Senate Appropriations  
48 Committee on Health and Human Services, the chairs of the House of Representatives  
49 Appropriations Committee on Health and Human Services, the Joint Legislative Oversight  
50 Committee on Health and Human Services, and the Fiscal Research Division by June 30 of

1 each year. The report shall include a summary of the Council's work for the previous year, any  
2 findings and recommendations for change, and a work plan for the upcoming year.

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

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

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

## 10 11 **PART V. DRIVERS LICENSE PILOT PROJECT**

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

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

23 **SECTION 5.2.(a)** There is appropriated from the General Fund to the Department  
24 of Health and Human Services, Division of Social Services, the sum of seventy-five thousand  
25 dollars (\$75,000) for the 2017-2018 fiscal year and the sum of seventy-five thousand dollars  
26 (\$75,000) for the 2018-2019 fiscal year to conduct the pilot project established pursuant to  
27 Section 5.1 of this act.

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

## 29 30 **PART VI. PILOT WAIVER FOR IAFT FOSTER PARENTS**

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

43 **SECTION 6.(b)** To that end, the Department of Health and Human Services,  
44 Division of Social Services (Division), shall establish a pilot program that will allow the  
45 Division to waive the employment requirement for foster parents. The Division shall solicit  
46 participation in the pilot program from interested LME/MCOs. The participating LME/MCOs  
47 shall conduct comparison measures between existing IAFT outcomes and those of pilots to  
48 determine any impact the waiver may have on outside employment. LME/MCOs shall measure  
49 progress of the pilot waivers based on the expectation of meeting the following outcomes:

- 50 (1) Improved placement stability with less than twenty percent (20%) of moves  
51 of youth occurring due to therapeutic foster parent request.

(2) Seventy-five percent (75%) of youth and families meeting their treatment goals within the projected time frame.

(3) 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:

(5) 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~~ 65 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.