

# NORTH CAROLINA EARLY CHILDHOOD PROFILE

State policies that promote health, education, and strong families can help the early development and school readiness of America's youngest citizens. This profile highlights North Carolina's policy choices alongside other contextual data related to the well-being of young children.

## Trends<sup>1</sup>

North Carolina has maintained the income eligibility for public health insurance since 2001. In 2006, young children in families earning up to 200 percent of the federal poverty level have access to health insurance. Income eligibility for child care subsidies declined as a percentage of poverty between 2001 and 2006, from 223 to 214 percent; but increased as a percent of state median income, from 69 to 75 percent. In December of 2006, more than 20,000 eligible children were on a waiting list for a child care subsidy. Funding for the state prekindergarten program increased more than seven-fold between 2002 and 2006.

## Recent Developments<sup>1</sup>

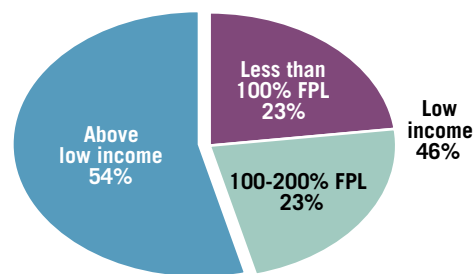
North Carolina 2007 budget increased funding for a variety of early childhood initiatives, including: \$14 million to implement a child care provider rate increase, \$450,000 for additional licensing staff, \$13.5 million for Smart Start, \$1 million for the T.E.A.C.H. Early Childhood Program, and \$18 million in lottery funds for its preschool More at Four program.

*Updated: May 1, 2007*

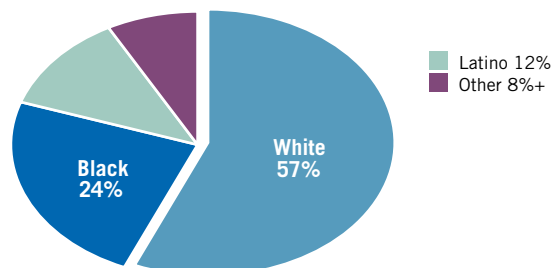
**Young children (under age 6)<sup>2</sup>: 733,237**

**Infants and toddlers (under age 3)<sup>2</sup>: 363,397**

**Young children by income, 2005<sup>2</sup>**

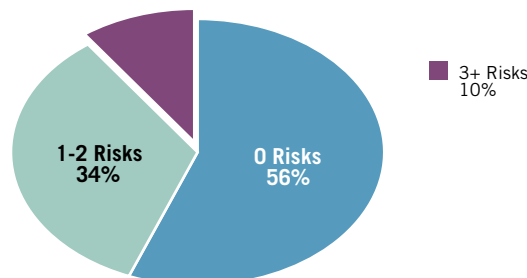


**Young children by race/ethnicity, 2005<sup>2</sup>**



+“Other” represents all racial/ethnic groups with very small sample sizes

**Exposure to multiple risk factors\*, 2005<sup>3</sup>**



\* Risk factors include any combination of the following: (1) single parent, (2) living in poverty, (3) parents do not speak English well, (4) parents have less than a high school education, and (5) parents have no paid employment.

## HEALTH AND NUTRITION

### State Choices to Promote Access

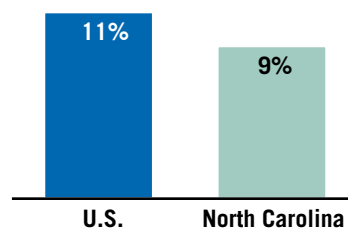
Set the income eligibility limit for public health insurance (Medicaid/SCHIP) at or above 200% of the federal poverty level (FPL). [2006]<sup>4</sup>

- ☒ Children <1 year  
*State eligibility set at 200% FPL.*
- ☒ Children ages 1-5 years  
*State eligibility set at 200% FPL.*
- ☐ Pregnant women  
*State eligibility set at 185% FPL.*
- ☐ Working parent  
*State eligibility set at 54% FPL.*
- ☐ Non-working parent  
*State eligibility set at 39% FPL.*
- ☐ Include at-risk children in the definition of eligibility for IDEA Part C. [2006]<sup>5</sup>  
*North Carolina does not include at-risk in its definition, but 1,178 infants and toddlers at risk of delay were served in 2005.*
- ☒ Supplement WIC funding. [2006]<sup>6</sup>  
*\$790,684. This is a decrease from \$950,000 in 2001.*
- ☒ Provide temporary coverage to pregnant women under Medicaid until eligibility can be formally determined. [2005]<sup>7</sup>
- ☐ Provide temporary coverage to children under Medicaid or SCHIP until eligibility can be formally determined. [2005]<sup>7</sup>

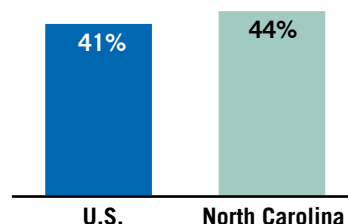
### State Choices to Promote Quality

- ☐ Achieve the national benchmark that 80% of children on Medicaid receive a health screening under EPSDT\*. (See bar chart.) [2005]<sup>8</sup>
- ☒ Require newborn screening for hearing deficiencies. [2006]<sup>9</sup>
- ☐ Require newborn screening for the 28 metabolic deficiencies/disorders recommended by the March Dimes. [2006]<sup>9</sup>  
*25 universally required by Law or Rule.*
- ☐ Use DC:0-3 to diagnose mental health and developmental disorders during infancy and early childhood when seeking Medicaid reimbursement. [2006]<sup>10</sup>

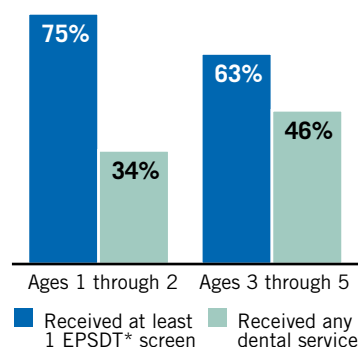
### Young children who lack health insurance, 2005<sup>2</sup>



### Medicaid births as a percentage of total births, 2002<sup>11</sup>



### Children on Medicaid receiving care in a 12-month period, by service and age, 2005<sup>8</sup>



Additional information, including state policy choices related to home visiting and early intervention programs, will be added to this profile in the fall of 2007.

\* Early and Periodic Screening, Diagnosis, and Treatment (EPSDT)

## EARLY CARE AND EDUCATION

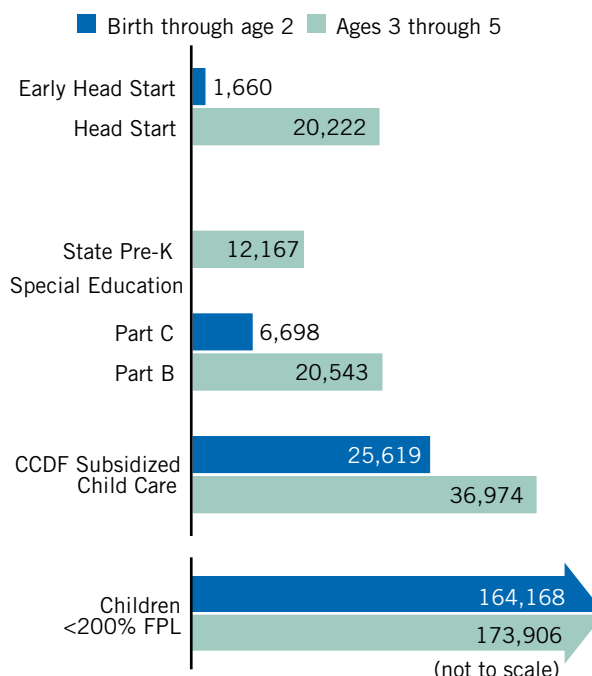
### State choices to promote access

- ☐ Offer a refundable state dependent care tax credit. [2005]<sup>12</sup>
- ☒ Set the income eligibility limit for child care subsidies at or above 200% FPL. [2006]<sup>13</sup>  
*A family of 3 was eligible up to \$35,592 or 214% FPL. This is an increase from \$32,628 in 2001.*
- ☐ Increase the child care subsidy reimbursement rate within the last two years to be at or above the 75th percentile of the market rate. [2006]<sup>14</sup>
- ☒ Annually re-determine eligibility for child care subsidies, which can promote consistent caregiving relationships. [2006]<sup>15</sup>  
*Eligibility re-determined every twelve months*
- ☐ Supplement Head Start with state or other federal funds. [2006]<sup>16</sup>
- ☒ Fund a state pre-kindergarten program. [2006]<sup>16</sup>  
*\$59.3 million or \$3,892 per child. This is an increase from \$6.5 in 2002.*

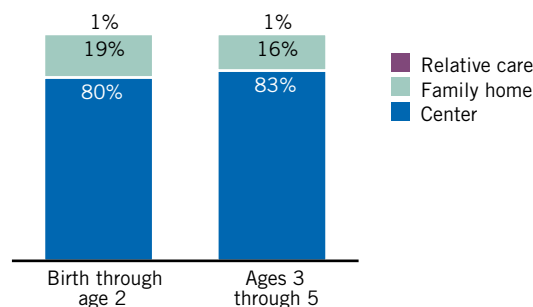
### State choices to promote quality

- ☐ Require one adult for every 10 four-year-olds, and a maximum class size of 20 in child care centers. [2005]<sup>17</sup>  
*Child care regulations require 1 adult for every 20 children, and a maximum class size of 25.*
- ☐ Require one adult for every 4 eighteen-month-olds, and a maximum class size of 8 in child care centers. [2005]<sup>17</sup>  
*Child care regulations require 1 adult for every 6 children and a maximum class size of 12.*
- ☒ Allocate state or federal funds for a network of infant/toddler specialists that provide assistance to child care providers. [2006]<sup>18</sup>
- ☐ Adopt early learning standards or developmental guidelines for infants and toddlers. [2005]<sup>19</sup>  
*Under Development.*
- ☒ Create an infant/toddler credential. [2006]<sup>20</sup>
- ☒ Require (through regulation) that infants and toddlers in child care centers be assigned a consistent primary caregiver. [2005]<sup>21</sup>

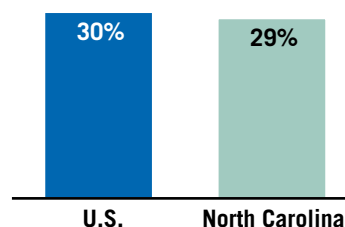
### Access to early childhood development programs, by age\*, 2005<sup>22</sup>



### Subsidized child care, by setting, 2004<sup>23</sup>



### Fourth grade students testing proficient or better in reading\*\*, 2005<sup>24</sup>



\* Eligibility criteria vary by program. Children enrolled in multiple programs are counted in each program, so numbers cannot be added together. The numbers of low-income children are included to give a sense of scale and provide a context for the access information. Head Start numbers reflect actual enrollment, and child care subsidies funded from sources other than the Child Care and Development Fund are not included in this total.

\*\* According to the National Assessment of Educational Progress (NAEP).

## PARENTING AND ECONOMIC SUPPORTS

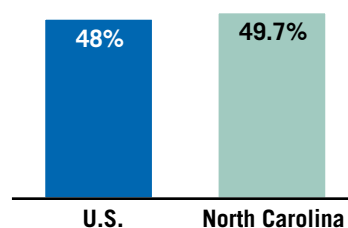
### State choices to promote effective parenting

- ☐ Provide paid medical/maternity leave. [2004]<sup>25</sup>
- ☒ Secure a Medicaid family planning waiver to extend coverage to low-income women to increase the interval between pregnancies. [2007]<sup>26</sup>
- ☒ Exempt single parents on TANF from work requirements until the youngest child reaches age one. [2003]<sup>27</sup>  
*The exemption is limited to 12 months in the recipient's lifetime.*
- ☒ Reduce the TANF work requirement for single parents with children under age 6. [2003]<sup>28</sup>
- ☒ Allow parents in school to qualify for child care subsidies. [2005]<sup>29</sup>

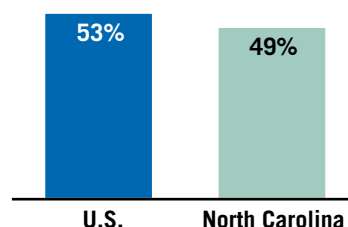
### State choices to support family economic security

- ☐ Exempt a single-parent family of 3 below the poverty level from personal income tax. [2006]<sup>30</sup>  
*Up to 92% FPL*
- ☐ Offer a refundable state earned income tax credit. [2006]<sup>31</sup>
- ☒ Establish a state minimum wage that exceeds the federal minimum wage. [2007]<sup>32</sup>  
*\$6.15*
- ☐ Allow families on TANF to receive some or all of their child support payment without reducing TANF cash assistance. [2004]<sup>33</sup>  
*No pass-through or disregard*
- ☒ Keep co-payments for child care subsidies at or below 10% of family income for most families. [2006]<sup>34</sup>

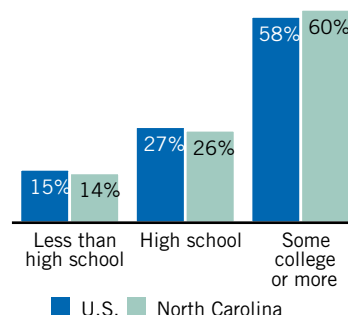
Young children who are read to every day, 2003<sup>35</sup>



Low-income young children with a parent employed full-time, 2005<sup>2</sup>



Education levels of mothers with young children, 2005<sup>2</sup>



This profile is a product of NCCP's *Improving the Odds for the Healthy Development and School Readiness of Young Children* initiative. It is funded through NCCP's participation in The Birth to Five Policy Alliance, sponsored by the Buffett Early Childhood Fund. The information represents the most recent 50-state data sources and will be updated with the release of new data. See [www.nccp.org/improvingtheodds](http://www.nccp.org/improvingtheodds) for other state profiles.

## DATA NOTES AND SOURCES

1. The following sources were consulted to write the state summary:  
 Karen Schulman and Helen Blank, *Child Care Assistance Policies 2006: Gaps Remains, with New Challenges Ahead*, National Women's Law Center, September 2006  
 W. Steven Barnett, Jason Hustedt, Kenneth Robin, and Karen Schulman, *The State of Preschool: 2006 State Preschool Yearbook*, National Institute for Early Education Research, 2006.  
 Donna Cohen Ross, Laura Cox and Caryn Marks, *Resuming the Path to Health Coverage for Children and Parents: A 50-State Update on Eligibility Rules, Enrollment and Renewal Procedures, and Cost-Sharing Practices in Medicaid and SCHIP in 2006*, Kaiser Commission on Medicaid and the Uninsured, January 2007 <http://www.kff.org> (accessed January 30, 2007).  
 National Center for Children in Poverty, *Map and Track State Initiatives for Young Children and Families*, 2000 Edition, 2000  
 National Conference of State Legislatures, *Child Care and Early Education Legislation Highlights 2005*, June 2006  
 National Conference of State Legislatures, *Child Care and Early Education Legislation Highlights 2006*, unpublished draft  
 National Governors Association, *Front and Center* education articles, 2006, <http://www.nga.org>  
 ZERO TO THREE, *The Baby Monitor*, 2006 Policy and Advocacy News Archive, <http://www.zerotothree.org>
2. State data were calculated from the Annual Social and Economic Supplement (the March supplement) of the Current Population Survey from 2004, 2005, and 2006, representing information from calendar years 2003, 2004, and 2005. NCCP averaged three years of data because of small sample sizes in less populated states. The national data were calculated from the 2006 data, representing information from the previous calendar year.
3. National and state data were calculated from the 2005 American Community Survey.
4. Donna Cohen Ross, Laura Cox and Caryn Marks, *Resuming the Path to Health Coverage for Children and Parents: A 50-State Update on Eligibility Rules, Enrollment and Renewal Procedures, and Cost-Sharing Practices in Medicaid and SCHIP in 2006*, Kaiser Commission on Medicaid and the Uninsured, January 2007 <http://www.kff.org> (accessed January 30, 2007).
5. Mary Jo Schackelford, *State and Jurisdictional Eligibility Definitions for Infants and Toddlers with Disabilities*, IDEA NECTAC Notes, Issue No. 21, July, 2006. and U.S. Department of Education, Office of Special Education Programs, Data Analysis System (DANS), OMB# 1820-0557: *Infants and Toddlers Receiving Early Intervention Services in Accordance with Part C*, Table 6-2, 2005 Data updated as of July 17, 2006. <https://www.ideadata.org> (accessed September 24, 2006)
6. U.S.D.A., Food and Nutrition Services, Data Reflect State Appropriates for State Fiscal Years 2001 and 2006, personal email (received April 25, 2006).
7. National Governors Association Center for Best Practices, Health Division, Maternal and Child Health (MCH) Update 2005: *States Make Modest Expansions to Health Care Coverage*, 2006.
8. Data reflect the most recent information reported by the states: 2002 for ME, NH, and OK; 2003 for IL and WV; 2004 for AZ, CA, GA, HI, IA, MS, NV, NM, NY, and OH; 2005 for all other states.  
 U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services, EPSDT CMS-416 Data, FY 2005, updated on July, 20, 2006.
9. National Newborn Screening and Genetics Resource Center, *National Newborn Screening Status Report*, Updated 11/27/06 <http://genes-r-us.uthscsa.edu> (accessed December 2006).
10. Ngozi Onunaku, Zero to Three, personal email (received February 6, 2006).
11. Data from some states includes the Medicaid waiver expansion population.  
 National Governors Association Center for Best Practices, Health Division, Maternal and Child Health (MCH) Update 2005: *States Make Modest Expansions to Health Care Coverage*, 2006.
12. Nancy Duff Campbell, Joan Entmacher, Amy K. Matsui, Cristina Martin Firvida, and Christie Love, *Making Care Less Taxing: Improving State Child and Dependent Care Tax Provisions*, National Women's Law Center, 2006.
13. Karen Schulman and Helen Blank, *Child Care Assistance Policies 2006: Gaps Remains, with New Challenges Ahead*, National Women's Law Center, September 2006
14. State reimbursement rates are compared to the 75th percentile of market rates (the rate that allows parents access to 75 percent of providers in their community) because federal regulations recommend that rates be set at this level. A state is considered to have rates that were based on current market prices if the market survey used to set its rates was conducted no more than two years earlier (so, for example, rates used in 2005 were considered current if set at the 75th percentile of 2003 or more recent market rates). The data in these tables reflect states' basic rates. Some states may have higher rates for particular types of care such as higher quality care or care for children with special needs.  
 Karen Schulman and Helen Blank, *Child Care Assistance Policies 2006: Gaps Remains, with New Challenges Ahead*, National Women's Law Center, September 2006
15. U.S. Department of Health and Human Services, Administration for Children and Families, *Report of State and Territory Plans, FY 2006-2007*, 2006.
16. W. Steven Barnett, Jason Hustedt, Kenneth Robin, and Karen Schulman, *The State of Preschool: 2006 State Preschool Yearbook*, National Institute for Early Education Research, 2006.
17. National Child Care Information Center, "Child Care Center Licensing Regulations", November 2005 <http://nccic.acf.hhs.gov> (accessed June 10, 2006).
18. National Infant and Toddler Child Care Initiative, "Keys to High Quality Child Care for Babies and Toddlers: Infant/Toddler Specialists" April, 2006, <http://nccic.org> (accessed June 15, 2006).
19. Council of Chief State School Officers, *Early Childhood State Collaborative on Student Standards and Assessments*, 2006, <http://www.ccsso.org> (accessed July 10, 2006). and National Infant and Toddler Child Care Initiative, "Keys to High Quality Child Care for Babies and Toddlers: Infant/Toddler Specialists" April, 2006, <http://nccic.org> (accessed June 15, 2006).
20. National Infant and Toddler Child Care Initiative, *Keys to High Quality Child Care for Babies and Toddlers: Infant Toddler Child Care Credentials* April, 2006. <http://www.nccic.org> (accessed March 1, 2007)
21. Regulations specify that infants and toddlers will have the same caregivers everyday except in when a caregiver is absent.  
 National Association for Regulatory Administration and the National Child Care Information and Technical Assistance Center, *The 2005 Child Care Licensing Study: Final Report*, December 2006, page 94. Available at: <http://www.nara-licensing.org>.
22. **Number of children (2005):** State data were calculated from the Annual Social and Economic Supplement (the March supplement) of the Current Population Survey from 2004, 2005, and 2006, representing information from calendar years 2003, 2004, and 2005. NCCP averaged three years of data because of small sample sizes in less populated states. The national data were calculated from the 2006 data, representing information from the previous calendar year.

**Early Head Start and Head Start Actual Enrollment (PY 2005):** U.S. Department of Health and Human Services, Administration for



Children and Families, *Head Start Program Information Report, 2004-2005*, 2005.

**State Pre-K enrollment (PY 2005):** W. Steven Barnett, Jason Hustedt, Kenneth Robin, and Karen Schulman, *The State of Preschool*, National Institute for Early Education Research, 2005.

**Birth to 2 Special Education, Part C (2005):** U.S. Department of Education, Office of Special Education Programs, Data Analysis System (DANS), OMB# 1820-0557: *Infants and Toddlers Receiving Early Intervention Services in Accordance with Part C*, Table 6-2, 2005 Data updated as of July 17, 2006. <https://www.ideadata.org> (accessed September 24, 2006)

**Ages 3 to 5 Special Education, Part B (2005):** U.S. Department of Education, Office of Special Education Programs, Data Analysis System (DANS), OMB# 1820-0043 *Children with Disabilities Receiving Special Education Under Part B of the Individuals with Disabilities Education Act 2005*. Table 1-2. Data updated as of July 17, 2006. <https://www.ideadata.org> (accessed September 24, 2006).

**Subsidized Child Care (2005):** United States Department of Health and Human Services, Administration for Children and Families, Administration on Children, Youth and Families, Child Care Bureau. Preliminary Child Care and Development Fund Administrative Data as reported on the ACF-801 for FFY 2005, updated on June 20, 2006.

23. Data represent the sum of children served in the specified location, regardless if the provider is licensed/regulated or legally operating without a license. Family home includes children served in group home care.  
United States Department of Health and Human Services, Administration on Children, Youth and Families, Child Care Bureau. CHILD CARE AND DEVELOPMENT FUND ADMINISTRATIVE DATA, FEDERAL FISCAL YEAR 2004 [Computer file]. ICPSR04379-v1. Rockville, MD: Anteon Corporation, Child Care Automation Resource Center [producer], 2006. Ann Arbor, MI: Inter-university Consortium for Political and Social Research [distributor], 2006.
24. U.S. Department of Education, Institute of Education Sciences, National Center for Educational Statistics, National Assessment of Educational Progress (NAEP), 2005 Reading Assessment.
25. Paid medical/maternity leave means women receive partial or complete income replacement when they take time off to to recover from child birth. Typically, wage replacement comes from a short-term or temporary disability insurance policy.  
National Partnership for Women and Families, *Expecting Better: A State by State Analysis of Parental Leave Programs*, 2005.  
<http://paysickdays.nationalpartnership.org>
26. State Medicaid Family Planning Eligibility Expansions, State Policies in Brief, as of April 1, 2007, Guttmacher Institute. Available at: <http://www.guttmacher.org> (accessed through <http://www.statehealthfacts.org> on April 12, 2007)
27. This table refers to single custodial parents over 21 years old. A sanction cannot be imposed for a child who has not attained 6 years of age if childcare is unavailable.  
Gretchen Rowe with Jeffrey Versteeg, *The Welfare Rules Databook: State Policies as of July 2003*, Assessing the New Federalism, The Urban Institute, 2005, Table III.B.1.
28. Gretchen Rowe with Jeffrey Versteeg, *The Welfare Rules Databook: State Policies as of July 2003*, Assessing the New Federalism, The Urban Institute, 2005, Table III.B.2, footnote 2.
29. Karen Schulman and Helen Blank, *Child Care Assistance Policies 2005: States Fail to Make up Lost Ground, Families Continue to Lack Critical Supports*, National Women's Law Center, September 2005
30. Calculations include income tax credits that are available to all low-income families in the state, such as state earned income tax credits.  
Jason A. Levitis, *The Impact of State Income Taxes on Low-income Families in 2006*, Table 1A. Available at: <http://www.cbpp.org> (accessed on April 16, 2007)
31. Community Resources Information, Inc., *TaxCreditResources.org*, <http://taxcreditresources.org> (accessed March 20, 2007).
32. This is the minimum wage rate that applies to non-supervisory, non-farm, private sector employment.  
U.S. Department of Labor, Employment Standards Administration, *Minimum Wage Laws in the States*, 2007, <http://www.dol.gov> (accessed February 21, 2007); and Economic Policy Institute, "Minimum Wage Issue Guide, Table 5," 2006 (accessed February 21, 2007). and U.S. Department of Agriculture, Food and Nutrition Service, "Food Stamp Program Data," <http://www.fns.usda.gov> (accessed March 19, 2007).
33. A child support pass-through is the amount of collected child support that the state gives to families on whose behalf the child support was collected. A child support disregard is the amount of child support that the family can keep without lowering their TANF benefits.  
Paula Roberts and Michelle Vinson, "State Policy Regarding Pass-Through and Disregard of Current Month's Child Support Collected for Families Receiving TANF-Funded Cash Assistance," Center for Law and Social Policy, 2004, <http://www.clasp.org> (accessed May 24, 2005).
34. U.S. Department of Health and Human Services, Child Care Bureau, *Child Care and Development Fund Report of State and Territory Plans FY 2006-2007*, p 158. <http://nccic.acf.hhs.gov>
35. National Survey of Children's Health, Data Resource Center on Child and Adolescent Health *Child and Adolescent Health Measurement Initiative* (2005). Retrieved 08/29/06 from <http://www.nschdata.org>