



North Carolina Department of Health and Human Services

Pat McCrory
Governor

Aldona Z. Wos, M.D.
Ambassador (Ret.)
Secretary DHHS

Adam Sholar
Legislative Counsel
Director of Government Affairs

November 26, 2014

SENT VIA ELECTRONIC MAIL

The Honorable Ralph Hise, Co-Chair
Joint Legislative Oversight Committee on
Health and Human Services
North Carolina General Assembly
Room 1026, Legislative Building
Raleigh, NC 27603

The Honorable Justin Burr, Co-Chair
Joint Legislative Oversight Committee on
Health and Human Services
North Carolina General Assembly
Room 307A, Legislative Office Building
Raleigh, NC 27603-5925

The Honorable Mark Hollo, Co-Chair
Joint Legislative Oversight Committee on
Health and Human Services
North Carolina General Assembly
Room 639, Legislative Office Building
Raleigh, NC 27603-5925

Dear Senator Hise and Representatives Burr and Hollo:

Section 12B.3 of Session Law 2014-100 requires DCDEE to study child care subsidy for 11- and 12- year olds.

Please find attached a report of that study. DCDEE has provided information on each of the three topics required and included partner agencies for their knowledge about school-age child care as well. One of the most significant influences on school-age care is its widely variable availability statewide, and also the wide variance in available resources to support such care.

Please direct all questions concerning this report to Rob Kindsvatter, Director of the Division of Child Development and Early Education, at 919-527-6533 or Rob.Kindsvatter@dhhs.nc.gov

Sincerely,

Adam Sholar

www.ncdhhs.gov

Tel 919-855-4800 • Fax 919-715-4645

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Cc: Sarah Riser
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Pat Porter
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SENT VIA ELECTRONIC MAIL

Mr. Mark Trogdon, Director
Fiscal Research Division
North Carolina General Assembly
Room 619, Legislative Office Building
Raleigh, NC 27603-5925

Dear Director Trogdon:

Section 12B.3 of Session Law 2014-100 requires DCDEE to study child care subsidy for 11- and 12- year olds.

Please find attached a report of that study. DCDEE has provided information on each of the three topics required and included partner agencies for their knowledge about school-age child care as well. One of the most significant influences on school-age care is its widely variable availability statewide, and also the wide variance in available resources to support such care.

Please direct all questions concerning this report to Rob Kindsvatter, Director of the Division of Child Development and Early Education, at 919-527-6533 or Rob.Kindsvatter@dhhs.nc.gov

Sincerely,

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Report to the Joint Legislative Committee on Health and Human Services and Fiscal Research Division: Study Child Care Subsidy for 11-and 12-Year Olds

Session Law 2014-100, Section 12B.3. provides:

STUDY CHILD CARE SUBSIDY FOR 11- AND 12-YEAR OLDS

SECTION 12B.3.(a) The Department of Health and Human Services, Division of Child Development and Early Education, shall study child care subsidy for 11- and 12-year olds. The Division shall study (i) available options for 11- and 12- year olds for before and after school care, (ii) available resources other than child care subsidy to pay for before and after school care, and (iii) the average cost of care for 11- and 12- year olds.

SECTION 12B.3.(b) The Division shall report its findings and recommendations to the Joint Legislative Committee on Health and Human Services and the Fiscal Research Division no later than November 30, 2014. The report shall include separate findings and recommendations for 11- and 12-year olds.

The following information is provided as required in this provision.

1. Available options for 11- and 12- year olds for before and after school care

According to the Division of Child Development and Early Education's (DCDEE) Subsidized Child Care Reimbursement System, there were 4,151 children ages 11 and 12 that were served in the three-month period of July – September 2014. In SFY 13-14, there were 6,488 children ages 11-12 that received subsidized child care services. The expenditures for each age group and average monthly cost/child are shown below. (Note: the unduplicated total number of children shown is less than the sum of the children in the two age categories, since a child may have turned 12 during this time period.)

Current Monthly Service Levels (July 2014-September 2014)

Children Ages 11-12 Receiving Subsidized Child Care

Age	Unduplicated Number Served	Expenditures	Monthly Average Cost/Child
11	2,813	\$2,230,537.20	\$361.10
12	1,590	\$1,283,805.05	\$367.12
Combined	4,151	\$3,514,342.25	\$364.67

Annual Service Levels SFY 2013-14

Children Ages 11-12 Receiving Subsidized Child Care

Age	Unduplicated Number Served	Expenditures	Monthly Average Cost/Child
11	5,006	\$7,210,487.97	\$319.73
12	2,769	\$4,105,732.77	\$328.56
Combined	6,488	\$11,316,220.74	\$323.97

In SFY 13-14, 85% of the children receiving subsidized child care ages 11-12 were served in child care centers; 11% in family child care homes; 3% in G.S. 110-106 religious sponsored facilities; and 1% in other arrangements (certified developmental day, summer camp, etc.) Available options for before and after school care vary by community, as explored below.

2. Available resources other than child care subsidy to pay for before and after school care

Available resources other than child care subsidy to help pay for before and after school care vary widely by county. Some communities may have programs providing services to children before and after school that offer scholarships or assistance for participating families. Additional programs may be offered free or at a minimal charge in order to channel school-age children into productive and enriching activities and guide them away from dangerous or destructive pursuits. However, this is contingent on available resources within the community.

According to the NC Center for Afterschool Programs (NC CAP), “research and anecdotal evidence show that high quality afterschool programs improve academic performance and school-day attendance, nurture youth development, decrease juvenile crime and other high-risk behaviors, and meet the needs of working families”¹ and employers.

In addition to DHHS initiatives, NC CAP suggests a number of potential funding sources for creating and continuing afterschool programs. State agencies such as the Department of Public Instruction, Department of Public Safety-Division of Juvenile Justice, Department of Commerce and Governor’s Crime Commission manage grant programs and funding streams which can help pay for and support the infrastructure of before and after school programs. In addition, there are a number of private councils, foundations and charitable and community organizations which provide funding for out-of-school-time care. Because of the direct connection between the provision of afterschool care and activities and decreased youth crime and incidents, city and county governments often provide funds to support positive activities for youth, especially through groups such as school districts, public school foundations, parks and recreation departments, arts councils, Sheriff’s offices, and local 4-H chapters.

A specific Department of Public Instruction (DPI) potential funding source is the After-School Quality Improvement Grant Program (Program) for 2014-15, administered through the DPI as directed in Section 8.19 in S.L. 2014-100. The purpose of the Program is to pilot after-school learning programs for at-risk students that raise standards for student academic outcomes. The General Assembly appropriated \$5 million for this activity in each year of the 2015-2017 biennium. Local school administrative units and non-profits working in collaboration with local school administrative units may participate in the After-School Quality Improvement Grant

¹ <http://www.nccap.net>

Program. At least seventy percent (70%) of students served by the Program must qualify for free or reduced-price meals. Grants must be matched on the basis of three dollars (\$3.00) in grant funds for every one dollar (\$1.00) in non-grant funds. Matching funds shall not include other State or federal supplemental funding (e.g., 21st Century Community Learning Centers), but matching funds may include in-kind contributions. Applications for this opportunity were required to be submitted through November 14, 2014.²

3. The average cost of care for 11- and 12- year olds

The average monthly subsidized child care payment for each age group is shown as follows. The average monthly payment amount does not include the parent co-payment. The subsidized child care payment is based on the market rate or the private rate charged by the facility, whichever is lower. The monthly average cost/child is annualized in the last column for an estimated average annual cost for services.

Age	Monthly Average Cost/Child	Est. Average Annual Cost
11	\$ 319.73	\$ 3,836.76
12	\$ 328.56	\$ 3,942.72
Combined	\$ 323.97	\$ 3,887.62

4. Recommendations:

Given the wide variation in community resources available for before and after school care for children ages 11-12, DCDEE recommends that counties continue to offer subsidized child care services to this age group. Effective October 1, 2014, S.L. 2014-100 revised the income eligibility of the subsidized child care program from 75% of State Median Income to 200% of the Federal Poverty Level (FPL) for children ages 0-5 and to 133% of FPL for children ages 6-12. This change will result in prioritizing services to families with the youngest children, and to families with school-age children with the lowest incomes. For children ages 11-12 in families that remain eligible, subsidized child care will provide needed services in communities.

² <http://www.ncpublicschools.org/docs/program-monitoring/after-school/announcement.pdf>