

Division of Child Development and Early Education

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March 21, 2017

**Joint Appropriations Committee on Health
and Human Services**

Division of Child Development and Early Education

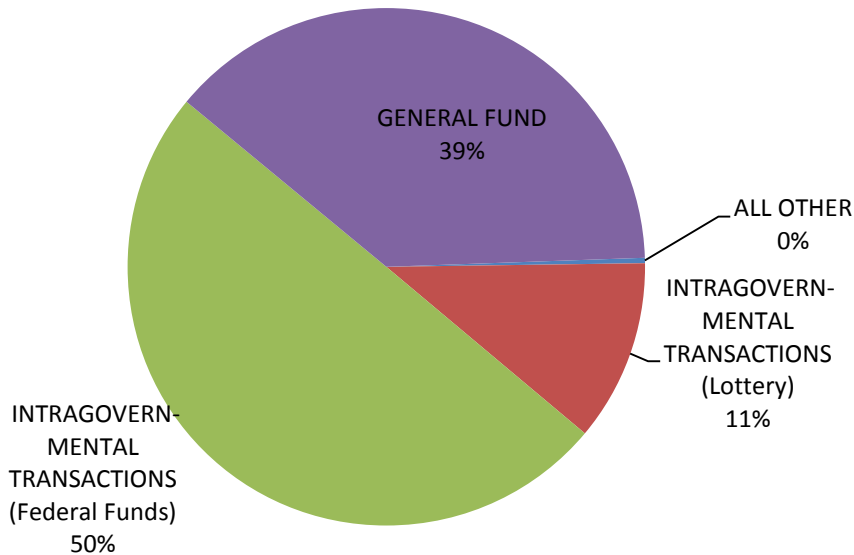
Major Programs

- **Child Care Subsidy** - provides financial assistance to eligible families to support parents' employment or education, child developmental needs, child protective services and child welfare services.
- **Smart Start** – provides planning, funding and services to improve the quality of and access to child care, access to health services for young children and family support services.
- **PreK** - provides high-quality educational experiences to enhance school readiness for eligible four-year-olds.

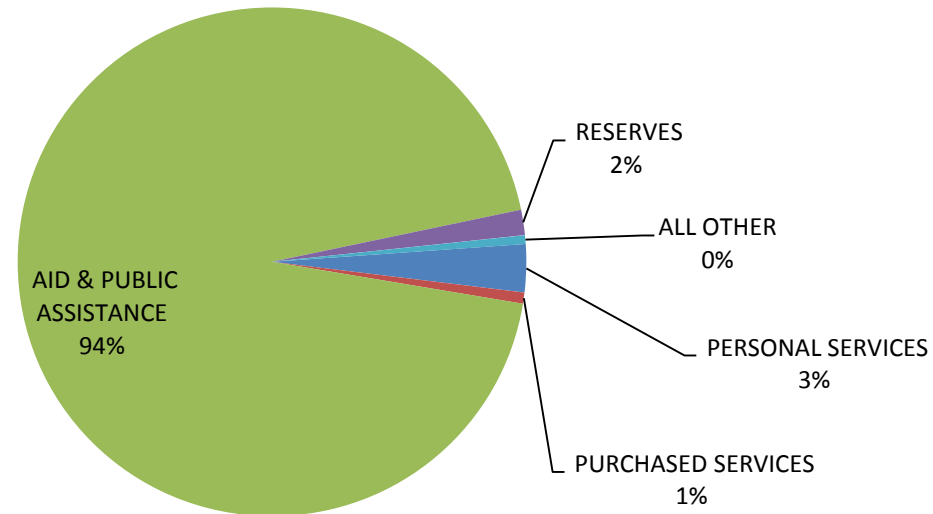
Division of Child Development and Early Education

Base Budget

2017-19 Funding Sources



2017-19 Expenditures



Division of Child Development and Early Education

Base Budget	Actual	Certified	Authorized	Incr/Decr	Total	Incr/Decr	Total
Account Title	2015-16	2016-17	2016-17	2017-18	2017-18	2018-19	2018-19
PERSONAL SERVICES	\$17,309,486	\$20,766,466	\$20,929,874	\$71,768	\$21,001,642	\$71,768	\$21,001,642
PURCHASED SERVICES	\$7,491,120	\$4,927,206	\$4,883,153	\$853	\$4,884,006	\$853	\$4,884,006
SUPPLIES	\$80,111	\$97,969	\$99,969	\$0	\$99,969	\$0	\$99,969
PROPERTY, PLANT & EQUIPMENT	\$254,877	\$37,555	\$41,555	\$0	\$41,555	\$0	\$41,555
OTHER EXPENSES & ADJUSTMENTS	\$423,169	\$120,248	\$383,239	(\$2,777)	\$380,462	(\$2,777)	\$380,462
AID & PUBLIC ASSISTANCE	\$639,603,546	\$647,234,228	\$648,234,228	\$1,150,000	\$649,384,228	\$1,150,000	\$649,384,228
RESERVES	\$0	\$11,713,679	\$11,278,386	(\$80,365)	\$11,198,021	(\$80,365)	\$11,198,021
INTRAGOVERNMENTAL TRANSACTIONS	\$6,681,272	\$3,819,872	\$3,332,497	\$0	\$3,332,497	\$0	\$3,332,497
Total Requirements	\$671,843,581	\$688,717,223	\$689,182,901	\$1,139,479	\$690,322,380	\$1,139,479	\$690,322,380
SALES, SERVICE, & RENTALS	\$0	\$44,929	\$0	\$0	\$0	\$0	\$0
FEES, LICENSES, & FINES	\$1,982,951	\$2,073,730	\$2,036,956	\$0	\$2,036,956	\$0	\$2,036,956
MISCELLANEOUS	\$318,957	\$0	\$264,397	\$0	\$264,397	\$0	\$264,397
INTRAGOVERNMENTAL TRANSACTIONS (Lottery)	\$78,765,181	\$78,252,110	\$78,252,110	\$0	\$78,252,110	\$0	\$78,252,110
INTRAGOVERNMENTAL TRANSACTIONS (Federal Funds)	\$364,477,583	\$372,035,067	\$372,325,102	(\$27,999,995)	\$344,325,107	(\$27,999,995)	\$344,325,107
Total Receipts	\$445,544,672	\$452,405,836	\$452,878,565	(\$27,999,995)	\$424,878,570	(\$27,999,995)	\$424,878,570
Net Appropriation	\$226,298,909	\$236,311,387	\$236,304,336	\$29,139,474	\$265,443,810	\$29,139,474	\$265,443,810
Account Account Title	Actual	Certified	Authorized	Incr/Decr	Total	Incr/Decr	Total
Code	2015-16	2016-17	2016-17	2017-18	2017-18	2018-19	2018-19
531211 SPA-REG SALARIES-APPRO	4.000	4.000	6.000	0.000	6.000	0.000	6.000
531212 SPA-REG SALARIES-RECPT	238.000	247.750	248.000	0.000	248.000	0.000	248.000
531213 SPA-REG SALARIES-UNDESIG	62.000	62.000	62.000	0.000	62.000	0.000	62.000
531222 SPA TIME LIMITED SAL-REC	1.000	0.000	0.000	0.000	0.000	0.000	0.000
Total FTE	305.000	313.750	316.000	0.000	316.000	0.000	316.000

Division of Child Development and Early Education

Increase/Decrease Detail

	2017-18	2018-19
NR Items removed		
Federal Funding for NC Pre-K	\$12,333,981	\$12,333,981
Child Care subsidy (federal funding)	\$2,835,482	\$2,835,482
Compensation Increase Reserve	(\$10,397)	(\$10,397)
State Retirement Contributions	(\$8,117)	(\$8,117)
Child Care Subsidy Federal Funds	\$6,400,000	\$6,400,000
NC Pre-K Federal Funds	\$6,430,899	\$6,430,899
Partial Year Funding Annualized		
Child Care Market Rate Increase	\$1,150,000	\$1,150,000
Retirement (Fully Fund)	\$6,863	\$6,863
DOJ Retirement (Fully Fund)	\$763	\$763
Other		
Total	\$29,139,474	\$29,139,474

Division of Child Development and Early Education

2015-17 Session Significant Budget Actions

S.L. 2015-241, 2015 Appropriations Act

FY 2016-17

Federal Funding for NC Pre-K

\$ (12,333,981) NR

Child Care subsidy (federal funding)

\$ (2,835,482) NR

NC Pre-K

\$ 2,323,599 R

Child Care Subsidy Market Rate Increase

\$ 6,000,000 R

Section 12B.7: Early Childhood Education and Development Initiatives Enhancements

Increases the match rate that the North Carolina Partnership for Children and local partnerships must attain. The match is increased to 5% in-kind and 12% cash for a total match of 17% in FY 2015-16. The match is increased to 6% in-kind and 13% cash for a total of 19% in FY 2016-17.

Section 12B.8: Statewide Early Education and Family Support Programs

The Joint legislative Oversight Committee on Health and Human Services shall appoint a subcommittee to study early childhood and family support programs including the Child Care Subsidy, NC Pre-K and Smart Start programs. The study will include the purpose, outcomes and effectiveness of each program, flexibility needed to ensure the needs of young children are met, and the potential for streamlined administration across the program.

Section 12B.9: U.S. Department of Defense-Certified Child Care Facilities Participation in State-subsidized Child Care Program

Allows Department of Defense (DoD) certified child care facilities to participate in the Subsidized Child Care program without state licensure. Facilities must be certified by DoD. Child care facilities accredited by the National Association for the Education of Children are reimbursed based on the five star license rate, all other DoD certified child care facilities are reimbursed based on the four star rated license rate.

Division of Child Development and Early Education

S.L. 2016-94, 2016 Appropriations Act

Child Care Subsidy Federal Funds	\$ (6,400,000)	NR
NC Pre-K Federal Funds	\$ (6,430,899)	NR
NC Pre-K Increase Children Served	\$ 1,325,000	R
Child Care Subsidy Increase Children Served	\$ 1,325,000	R
Child Care Subsidy Market Rate Increase	\$ 3,450,000	R

Section 12B.4 Study Effectiveness Associated with NC Pre-K Slots - Requires DCDEE to report on the total cost of fund a NC Pre-K slot, including administration and local costs, the effectiveness of the program, the State share needed to fund a slot by each setting and the amount of funds needed to maintain the current number of NC Pre-K slots if the per slot cost was increased to the amount recommended by the study. The report should also recommend how often the NC Pre-K slot costs should be evaluated and reported to the General Assembly.

Section 12B.5 State Agency Collaboration on Early Childhood Education/Transition from Preschool to Kindergarten - Requires DHHS in consultation with the Department of Public Instruction (DPI) and other early education agencies or organizations to collaborate on an ongoing basis to develop and implement a statewide vision for early childhood education, birth through third grade including creating cross agency accountability with data indicators to monitor and measure success. The agencies must report on or before January 1, 2017, and on or before January 1, 2018. Subsequent reports may be made by January 1 each year as needed. DHHS in consultation with DPI must develop a transition plan for children in NC Pre-K and the Child Care subsidy Assistance program for four- and five-star rated facility classrooms to kindergarten. The report is due on or before January 1, 2018

Program Comparison

	Smart Start	Child Care Subsidy	NC Pre-K
Mission	School Readiness	Provide needs based child care assistance	School Readiness
Target Population	Children from birth to age 5	Low income families with children under age 12	At-risk four-year-olds who have not been exposed to a child care setting

Program Comparison

	Smart Start	Child Care Subsidy	NC Pre-K
Eligibility	<ul style="list-style-type: none"> Varies by activity Local partnerships have flexibility for some activities 	<ul style="list-style-type: none"> Age 0 to 5, and Special Needs children, 200% of federal poverty level Age 6-12, 133% of federal poverty level Need child care for an eligible activity such as employment, high school or post-secondary education 	<ul style="list-style-type: none"> Income eligible at 75% of state median income Eligible without regard to income: some military families; children with Limited English Proficiency, IEP, some health conditions, or educational need identified by screening
Funding and Administration	<ul style="list-style-type: none"> Nonprofit organization at state and local levels Public/private partnership State and private funding Local decision-making to address local needs 	<ul style="list-style-type: none"> Combination of State and Federal funding from Block Grants and the General Fund. Locally administered program with State level support 	<ul style="list-style-type: none"> State program with state funding, plus other sources of funding contributed according to local decisions Standard program; local decision-making about location of pre-k classrooms; all classrooms meet state standards

Child Care Subsidy Funding

	2012-13	2013-14	2014-15	2015-16	2016-17
Requirements	\$421,104,288	\$343,260,327	\$336,530,468	\$342,332,164	\$348,656,842
Receipts	\$312,340,419	\$302,137,474	\$309,394,955	\$300,122,888	\$302,696,434
Net Appropriation	\$108,763,869	\$41,122,853	\$27,135,513	\$42,209,276	\$45,960,408

- Chart includes administration.
- 2012-13 includes Smart Start Subsidized Child Care. Beginning in 2013-14 Smart Start Subsidized Child Care is budgeted in a separate fund code.
- The change in Requirements from 2013-14 to 2014-15 was due to the elimination of a reserve account.

Source: BD 307 Fiscal Years 2012-16 DHHS - Child Development and Early Education Code: 14420, Fund 1380

Child Care Subsidy Children Served and Wait List

December 2016

Children Served	66,026
Wait List	26,308

Note: These numbers do not include children served by Smart Start Subsidy.

Source: Division of Child Development and Early Education January 2017 Subsidy Expenditure Report

NC Pre-K Funding

	2012-13	2013-14	2014-15	2015-16	2016-17
Requirements	\$128,147,360	\$140,546,411	\$145,586,411	\$144,178,390	\$145,503,300
Receipts	\$63,135,709	\$75,535,709	\$95,378,043	\$95,781,416	\$97,716,900
Net Appropriation	\$65,011,651	\$65,010,702	\$50,208,368	\$48,396,974	\$47,786,400

Source: BD 307 Fiscal Years 2012-16 DHHS - Child Development and Early Education Code: 14420, Fund 1330

NC Pre-K Program Data for 2016-17

Contracted Slots: 27,019

Wait list: 4,668

Sites: 1165

Classrooms: 1956

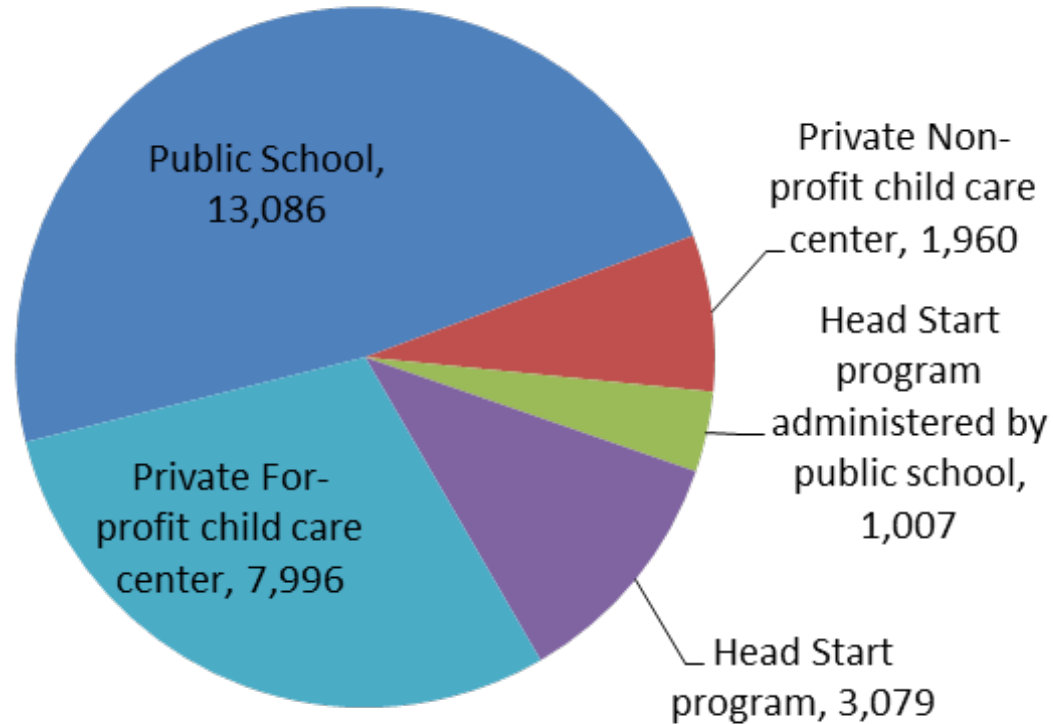
Contractors by Type

- Public School – 41
- Local Partnership for Children – 45
- Head Start – 4
- Other - 1

Source: Division of Child Development and Early Education, and NC Pre-K Program Data 2016-17, November 11, 2017

NC Pre-K Program Data for 2016-17

Students Served by Facility Type



Source: Division of Child Development and Early Education, NC Pre-K Program Data for 2016-17, November 11, 2017

Smart Start Funding

	State	Child Care Development Fund (CCDF)	Total
FY 2008-09	\$ 209.7	\$ -	\$ 209.7
FY 2009-10	\$ 193.7	\$ -	\$ 193.7
FY 2010-11	\$ 188.3	\$ -	\$ 188.3
FY 2011-12	\$ 150.7	\$ -	\$ 150.7
FY 2012-13	\$ 143.6	\$ 7.0	\$ 150.6
FY 2013-14	\$ 140.0	\$ 7.0	\$ 147.0
FY 2014-15	\$ 140.0	\$ 7.0	\$ 147.0
FY 2015-16	\$ 140.0	\$ 7.0	\$ 147.0
FY 2016-17	\$ 140.0	\$ 7.0	\$ 147.0

Smart Start

Match Requirements

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
In-Kind	3%	3%	3%	4%	5%	6%
Cash	7%	10%	11%	11%	12%	13%
Total	10%	13%	14%	15%	17%	19%

Smart Start

Sample of Programs Funded

Program	Description	Evidence Rating	Clearinghouse
Incredible Years	Seeks to prevent and reduce children's, up to age 12, challenging behavior while increasing their social skills by offering parent, teacher, and child training.	Scientifically Supported	What Works for Health
Reach Out and Read	Partners with doctors, nurse practitioners, and other medical professionals to incorporate literacy support into regular well-child visits. From the 6-month checkup through age five, medical providers give children developmentally appropriate books and give parents guidance and encouragement on reading with their children.	Scientifically Supported	What Works for Health
Parents as Teachers (PAT)	Educators visit parents' homes to teach them about early childhood development and promote effective parenting strategies. The program also includes developmental screenings of children, parent group meetings, and a resource network that links families with community resources.	Some Evidence	What Works for Health

Smart Start

Sample of Programs Funded

Program	Description	Evidence Rating	Clearinghouse
Nurse-Family Partnership	Voluntary home-visiting program that targets low income, first-time mothers and their babies. Home visits begin during pregnancy and continue through a child's second birthday. The program aims to improve prenatal, birth, and early childhood outcomes.	Scientifically Supported	What Works for Health
The Triple P (Positive Parenting Program)	A system of parenting interventions for families with children ages 0-8,1 which seeks to strengthen parenting skills and prevent dysfunctional parenting, so as to prevent child maltreatment and emotional, behavioral, and developmental problems.	Supported, Promising, Near Top Tier	Results First (Pew Center) reported in 6 of 8 clearinghouses

Questions?

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