

**FISCAL RESEARCH DIVISION**  
A Staff Agency of the North Carolina General Assembly

# **Division of Child Development and Early Education**

**Joint House and Senate Appropriations  
Committees on Health and Human Services**

**March 5, 2019**

# Division of Child Development and Early Education (DCDEE)

## Major Programs/Activities

- Child Care Subsidy
- Regulation of Child Care
- NC Pre-K
- Criminal Background Check Unit

Funding for Smart Start is included in the DCDEE budget.



# DCDEE Base Budget

14420-DHHS - Child Development and Early Education Base Budget								
		Actual	Certified	Authorized	Incr/Decr	Total	Incr/Decr	Total
Account Title		2017-18	2018-19	2018-19	2019-20	2019-20	2020-21	2020-21
PERSONAL SERVICES		\$19,485,102	\$23,758,193	\$23,758,589	\$0	\$23,758,589	\$0	\$23,758,589
PURCHASED SERVICES		\$7,408,309	\$4,645,399	\$4,957,240	\$0	\$4,957,240	\$0	\$4,957,240
SUPPLIES		\$134,979	\$93,195	\$92,799	\$0	\$92,799	\$0	\$92,799
PROPERTY, PLANT & EQUIPMENT		\$203,348	\$38,855	\$38,855	\$0	\$38,855	\$0	\$38,855
OTHER EXPENSES & ADJUSTMENTS		\$534,190	\$375,360	\$375,360	\$0	\$375,360	\$0	\$375,360
AID & PUBLIC ASSISTANCE		\$657,686,998	\$724,471,590	\$724,471,590	\$8,925,000	\$733,396,590	\$18,275,000	\$742,746,590
RESERVES		\$1	\$27,336,251	\$27,336,251	(\$5,046)	\$27,331,205	(\$5,046)	\$27,331,205
INTRAGOVERNMENTAL TRANSACTIONS		\$10,610,605	\$3,326,497	\$3,326,497	\$0	\$3,326,497	\$0	\$3,326,497
<b>Total Requirements</b>		<b>\$696,063,531</b>	<b>\$784,045,340</b>	<b>\$784,357,181</b>	<b>\$8,919,954</b>	<b>\$793,277,135</b>	<b>\$18,269,954</b>	<b>\$802,627,135</b>
SALES, SERVICE, & RENTALS		\$0	\$0	\$0	\$0	\$0	\$0	\$0
FEES, LICENSES, & FINES		\$2,000,153	\$2,098,692	\$2,175,159	\$0	\$2,175,159	\$0	\$2,175,159
MISCELLANEOUS		\$509,693	\$264,397	\$315,616	\$0	\$315,616	\$0	\$315,616
INTRAGOVERNMENTAL TRANSACTIONS (Lottery)		\$78,252,110	\$78,252,110	\$78,252,110	\$0	\$78,252,110	\$0	\$78,252,110
INTRAGOVERNMENTAL TRANSACTIONS (Federal Funds)		\$348,844,153	\$475,134,018	\$475,189,680	(\$294,697)	\$474,894,983	(\$294,697)	\$474,894,983
<b>Total Receipts</b>		<b>\$429,606,109</b>	<b>\$555,749,217</b>	<b>\$555,932,565</b>	<b>(\$294,697)</b>	<b>\$555,637,868</b>	<b>(\$294,697)</b>	<b>\$555,637,868</b>
<b>Net Appropriation</b>		<b>\$266,457,422</b>	<b>\$228,296,123</b>	<b>\$228,424,616</b>	<b>\$9,214,651</b>	<b>\$237,639,267</b>	<b>\$18,564,651</b>	<b>\$246,989,267</b>
Account Code	Account Title	Actual 2015-16	Certified 2016-17	Authorized 2016-17	Incr/Decr 2017-18	Total 2017-18	Incr/Decr 2018-19	Total 2018-19
531211	SPA-REG SALARIES-APPRO	6.000	5.000	6.000	0.000	6.000	0.000	6.000
531212	SPA-REG SALARIES-RECPT	260.000	269.000	269.000	0.000	269.000	0.000	269.000
531213	SPA-REG SALARIES-UNDESIG	62.000	62.000	61.000	0.000	61.000	0.000	61.000
<b>Total FTE</b>		<b>328.000</b>	<b>336.000</b>	<b>336.000</b>	<b>0.000</b>	<b>336.000</b>	<b>0.000</b>	<b>336.000</b>



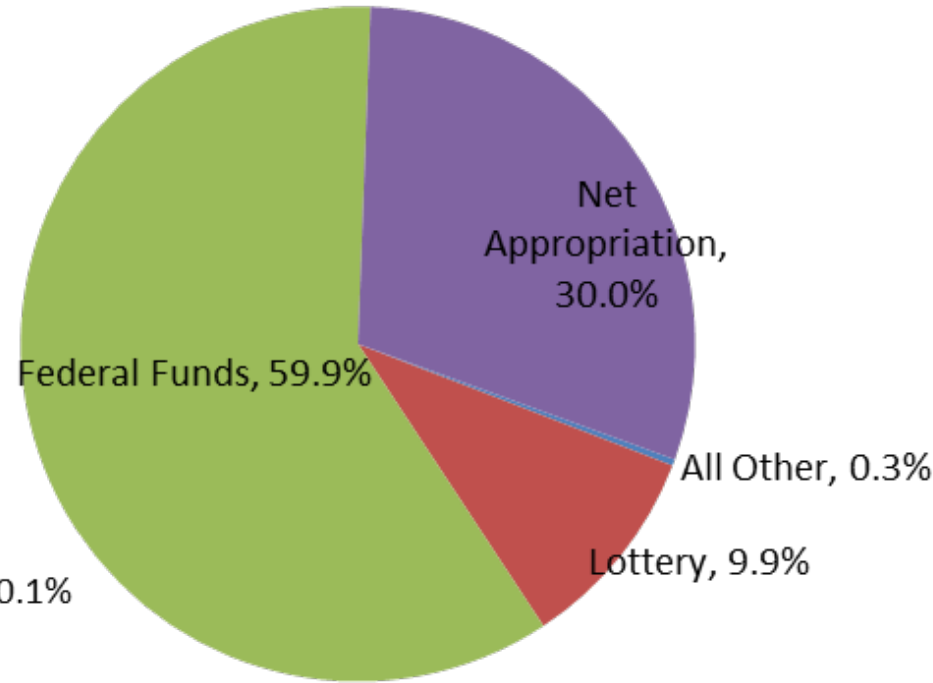
# Increase/Decrease Detail

	FY 2019-20	FY 2020-21
<b>NR Items Removed</b>		
TANF Funds - Subsidy	\$294,697	\$294,697
State Retirement Contributions	(\$5,046)	(\$5,046)
Smart Start Reach Out and Read	(\$250,000)	(\$250,000)
Direct Appropriations	(\$175,000)	(\$175,000)
<b>Other Statutory Adjustments</b>		
Adjustments to NC Pre-K Program Funds	\$9,350,000	\$18,700,000

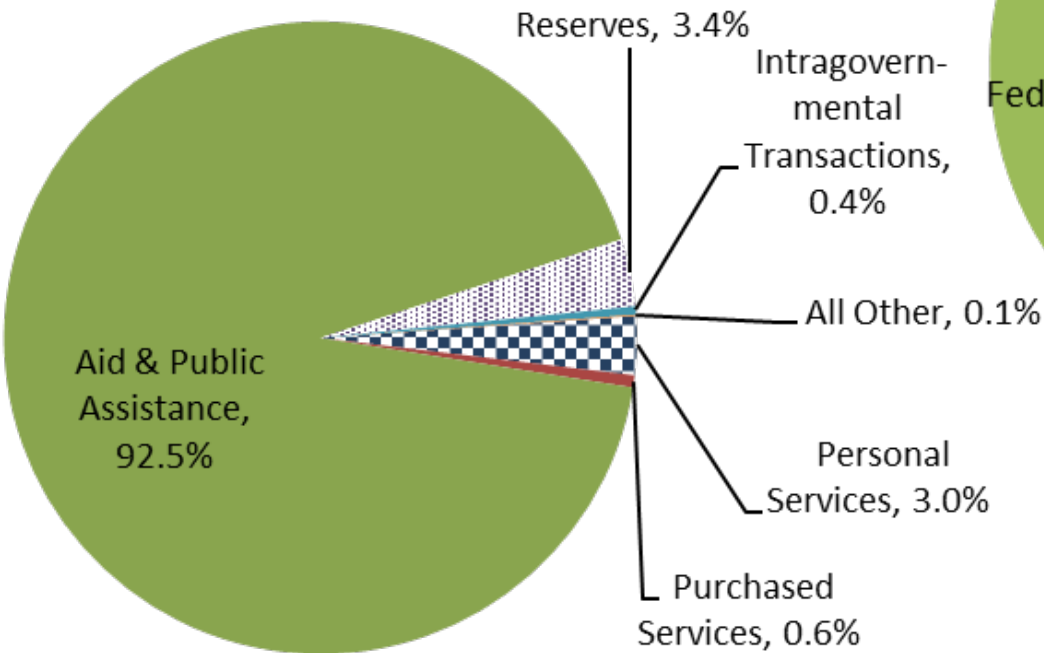


# DCDEE Base Budget FY 2019-20

## Funding Sources



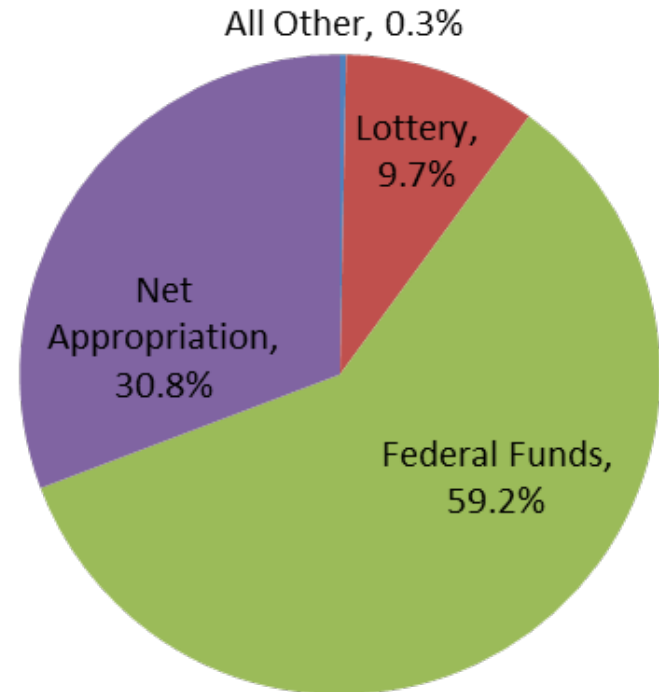
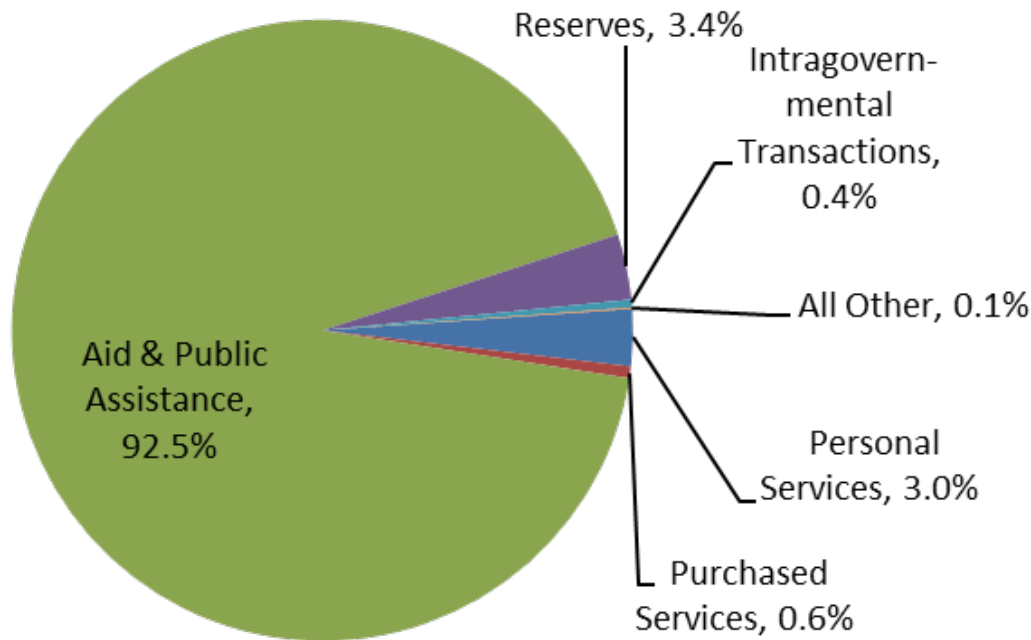
## Expenditures



# DCDEE Base Budget FY 2020-21

## Funding Sources

## Expenditures



# 2017-2018 Significant Budget Actions

## S.L. 2017-57, Appropriations Act of 2017

	FY 2017-18		FY 2018-19	
NC Pre-K Waitlist Reduction <sup>1</sup>	\$3,000,000	R	\$6,100,000	R
TANF Contingency Funds for Child Care	(\$3,304,255)	NR		
Smart Start Reading Initiative	\$3,500,000	R	\$7,000,000	R
Child Care Quality Improvement <sup>2</sup>				
Child Care Subsidy Market Rate Increase <sup>3</sup>				

<sup>1</sup>Total funding including federal block grants is \$9 million in FY 2017-18 and \$18.3 million in FY 2018-19.

<sup>2</sup>Provides Child Care and Development Fund (CCDF) Block Grant Funding of \$913,972 to establish 12 FTE.

<sup>3</sup>Provides block grant funds for an increase of \$13 million in FY 2017-18 and \$17 million in FY 2018-19.



# 2018-2019 Significant Budget Actions

## S.L. 2018-5: Appropriations Act of 2018

	FY 2018-19	
NC Pre-K <sup>1</sup>	(\$50,000,000)	R
Child Care Market Rate Increase for Tier 1 & 2 Counties <sup>2</sup>		
Child Care Market Rate Increase for Tier 3 Counties <sup>3</sup>		
Child Care Subsidy Waitlist Reduction <sup>4</sup>		

<sup>1</sup>Replaced net General Fund Appropriations with federal block grant funds. Total for NC Pre-K of \$163.8 million was unchanged.

<sup>2</sup>Provides CCDF Block Grant funds of \$3.7 million.

<sup>3</sup>Provides CCDF block grant funds of \$9.8 million.

<sup>4</sup>Provides block grant funds of \$19.6 million.





# Significant Legislative Actions

## S.L. 2017-57: Appropriations Act of 2017

### Sec. 11B.5, **Child Care Allocation Formula**

- Allows the Division to withhold up to 2% of available funds from the allocation formula for preventing the termination of services and for repayment of any federal funds identified by counties as overpayments.
- The Division must allocate any funds withheld before the end of the fiscal year if the funds are not needed for these purposes.
- The Division must set aside 4% of the subsidy allocation for vulnerable populations which include special needs and homeless children.
- Counties with a spending coefficient above 100% must submit a plan for managing their allocation before receiving any reallocated funds



# Significant Legislative Actions

S.L. 2018-5: Appropriations Act of 2018

**Sec. 11B.2 Separate Star-Rated License/Birth through Two Years of Age/Report** requires the Division to develop a separate birth through two years of age, star-rated license for child care facilities. The Division must also evaluate certified religious-base child care centers rate payments and the minimum requirements for certification. The report was due November 1, 2018.



# 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



# Child Care Subsidy

## Child Care and Development Block Grant Requirements

### Health and Safety Requirements for Child Care Providers

- Example: Requires States to establish health and safety requirements in 10 different topic areas (e.g., prevention of sudden infant death syndrome (SIDS), first-aid, and CPR)

### Transparent Consumer and Provider Education Information

- States must make available by electronic means, easily accessible provider-specific information showing results of monitoring and inspection reports, as well as the number of deaths, serious injuries, and instances of substantiated child abuse that occur in child care settings each year

Source: <https://www.acf.hhs.gov/occ/resource/ccdbg-of-2014-plain-language-summary-of-statutory-changes>



# Child Care Subsidy

## Child Care and Development Block Grant Requirements

### Family-Friendly Eligibility Policies

- Establishes a 12-month eligibility re-determination period for CCDF families, regardless of changes in income (as long as income does not exceed the federal threshold of 85% of State median income) or temporary changes in participation in work, training, or education activities.
- Allows States the option to terminate assistance prior to re-determination if a parent loses employment, however assistance must be continued for at least 3 months to allow for job search.

Source: <https://www.acf.hhs.gov/occ/resource/ccdbg-of-2014-plain-language-summary-of-statutory-changes>



# Child Care Subsidy

## Child Care and Development Block Grant Requirements

### Activities to Improve the Quality of Child Care

- Phases-in increase in minimum quality set-aside from 4% to 9% over a 5-year period. In addition, requires States to spend minimum of 3% to improve the quality of care for infants and toddlers.
- Requires States to spend quality funds on at least 1 of 10 specified quality activities, which include developing tiered quality rating systems and supporting statewide resource and referral services.

Source: <https://www.acf.hhs.gov/occ/resource/ccdbg-of-2014-plain-language-summary-of-statutory-changes>



# Role of Commissions

- The **Child Care Commission** is responsible for developing rules to implement the child care laws set forth by the NC General Assembly. Rules are established by the Commission for the operation of child care facilities, including procedures for application, approval, renewal, and the revocation of licenses.
- The **Social Services Commission** is responsible for adopting rules that pertain to the Subsidized Child Care (SCC) Program. Rules concerning the approval of child care programs that participate in the subsidy program, client eligibility and parental fees.



# DCDEE Role

DCDEE issues policy for the provision of child care services, prepares required reports related to the expenditure of state and federal funds and monitors for program and fiscal compliance. DCDEE also develops, implements, and coordinates initiatives that address improving the quality and increasing the availability of child care in North Carolina





# County Departments of Social Services Role

State statute designates the county department of social services (DSS) as the local purchasing agency to administer the SCC Program. DSS may choose to delegate this responsibility to another agency through contractual agreement. Some of the duties include:

- Providing families with information about available child care resources and the five star licensing system.
- Determining the eligibility of the family and issuing vouchers to eligible parents.
- Enrolling providers in the subsidy program.
- Making visits to child care providers receiving subsidy funds.
- Investigate all instances of suspected fraud.



# County Departments of Social Services Funding

- Receive 4 % of the county's total child care subsidy allocation for administrative cost or \$80,000 whichever is greater.
- May use up to 2% of their child care subsidy allocation for fraud detection and investigation initiatives.

Source: G.S. 143B-168.27



# Child Care Subsidy Funding History

	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>
	Enacted Budget	Enacted Budget	Enacted Budget	Base Budget	Base Budget
Requirements	\$348,656,842	\$362,968,200	\$399,330,562	\$399,446,267	\$399,446,267
Receipts	\$302,696,434	\$310,377,034	\$343,337,418	\$343,119,261	\$343,119,261
Net Appropriation	\$45,960,408	\$52,591,166	\$55,993,144	\$56,327,006	\$56,327,006

## Funding Notes:

- From FY 2014-15 to FY 2018-19 there has been a increase in:  
 Requirements of \$62.8 million. (18.7%)  
 Receipts of \$33.9 million. (11%)  
 Net Appropriation of \$28.9 million. (106.3%)
- In FY 2018-19 receipts account for 86% of the funding for Child Care Subsidy.

Source: BD 307 Fiscal Years 2015-19 DHHS - Child Development and Early Education Code: 14420, Fund 1380



# Child Care Subsidy Eligibility

- Children age 0-5 and special needs children in income eligible families with income less than 200% of Federal Poverty Level (FPL) A family of 4 must have income less than \$4,100 a month or \$49,200 a year.
- Children age 6-12 in eligible families with income less than 133% of FPL. A family of 4 must have income less than \$2,727 a month or \$32,724 a year.
- Children who need child care services to support child welfare services.
- Children receiving foster care services who are in the custody of a county department of social services.
- 12 month eligibility period
- Copayments are 10% of income



# Child Care Subsidy Eligibility

Income eligible families must also be participating in a qualifying activity:

- Employment
- Seeking Employment
- Post Secondary Education
- Developmental Needs of the Child
- High School Education
- Combination of the above



# Child Care Subsidy Children Served and Wait List

## December 2018

Children Served	65,247
Waitlist	29,201

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

Source: Division of Child Development and Early Education January 2019 Subsidy Expenditure Report



# Child Care Subsidy Market Rates

Age	Tier 1&2	Tier 3
<b>0-2</b>	100th Percentile, 2015 Market Rate Study effective October 1, 2018	75th Percentile, 2015 Market Rate Study, effective October 1, 2017
<b>3-5</b>	100th Percentile, 2015 Market Rate Study effective October 1, 2018	75th Percentile, 2015 Market Rate Study, effective October 1, 2018
<b>school age</b>	75th Percentile, 2015 Market Rate Study effective October 1, 2017.	Based on 2013 Market Rate Study, last increase effective January 1, 2015, 25% of the difference between the current market rates and the 2013 market rates.

The Office of Child Care states that a benchmark of the 75th percentile of rates reported in the market rate survey is recommended for payment rates.

Source: 2014, 2017 and 2018 Appropriation Acts, and <https://ccdf-fundamentals.icfcloud.com/assessing-market-rates-and-child-care-costs>



# Star Rating System



Providers may earn 1 to 5 stars.

A rating of one star means that a child care program meets North Carolina's minimum licensing standards for child care.

All programs earn their star rating based on two components:

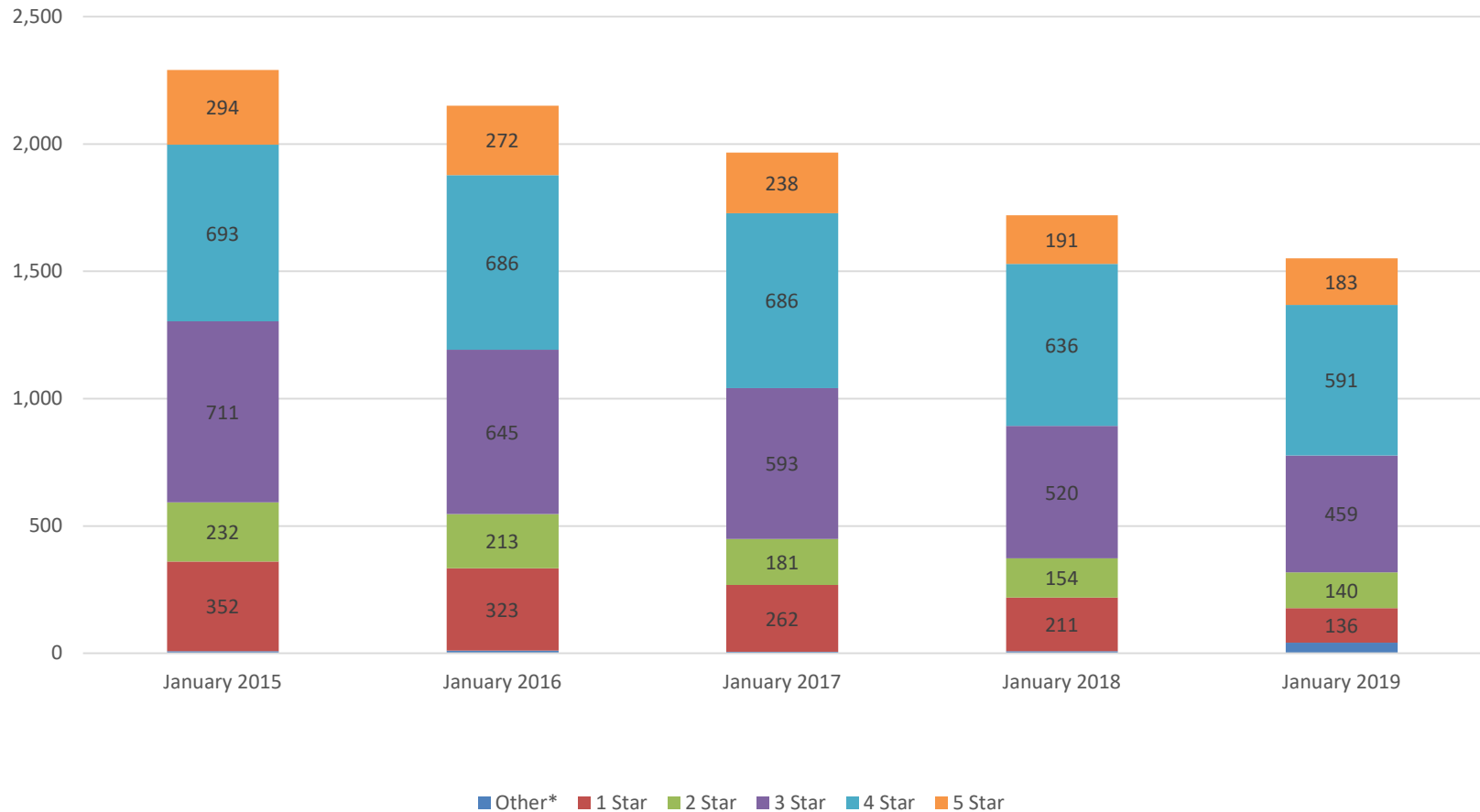
Staff education

Program Standards





# Number of Child Care Homes by Star Rating

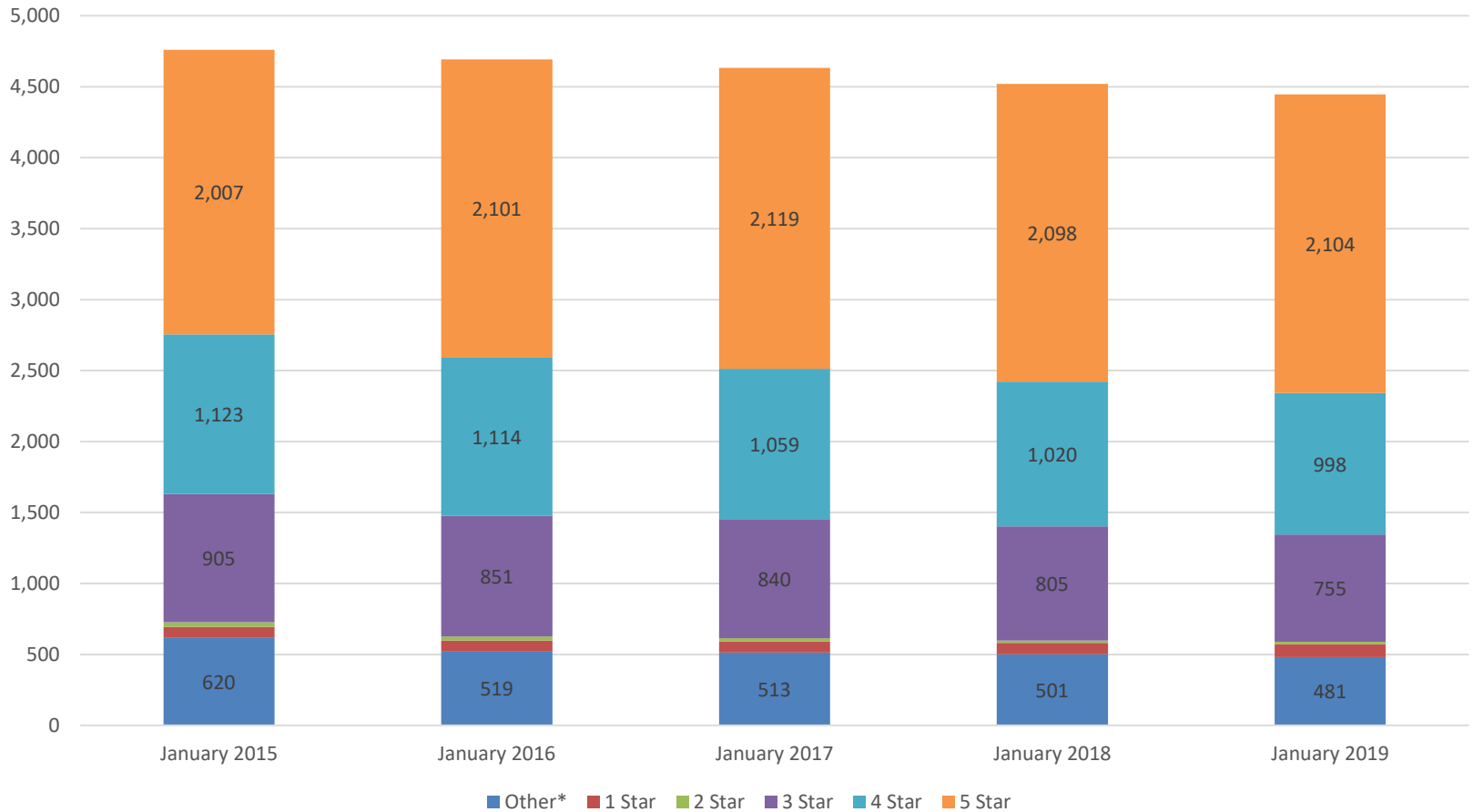


\*Other includes temporary and provisional licenses and Religious Sponsored Notice of Compliance certificates.

Note: The total number of child care home has decreased from 2,291 in January 2015 to 1,551 in January 2019, a 33% decrease.



# Number of Child Care Centers by Star Rating



\*Other includes temporary and provisional licenses and Religious Sponsored Notice of Compliance certificates.

Note: The total number of child care centers has decreased from 4,761 in January 2015 to 4,446 in January 2019, a 7% decrease.

# NC Pre-K

Provides high-quality educational experiences to enhance school readiness for eligible four-year-olds.



# NC Pre-K Funding History

	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>
	Enacted Budget	Enacted Budget	Enacted Budget	Base Budget	Base Budget
Requirements	\$145,503,300	\$154,503,504	\$163,803,504	\$172,832,185	\$182,182,185
Receipts	\$97,716,900	\$84,952,110	\$141,152,110	\$141,152,110	\$141,152,110
Net Appropriation	\$47,786,400	\$69,551,394	\$22,651,394	\$31,680,075	\$41,030,075

Note: The Base Budget is increased by \$9.35 million in FY 2019-20 and \$18.7 million in FY 2020-21 as required by G.S. 143B-168.10C.

Source: BD 307 Fiscal Years 2016-19 DHHS - Child Development and Early Education Code: 14420, Fund 1330, WSI for FY 2019-20 and FY 2020-21



# NC Pre-K Program Data for 2018-19

Number of Slots: 29,791

Estimated Unmet Slot Need: 4,219

Sites: 1199

Classrooms: 2060

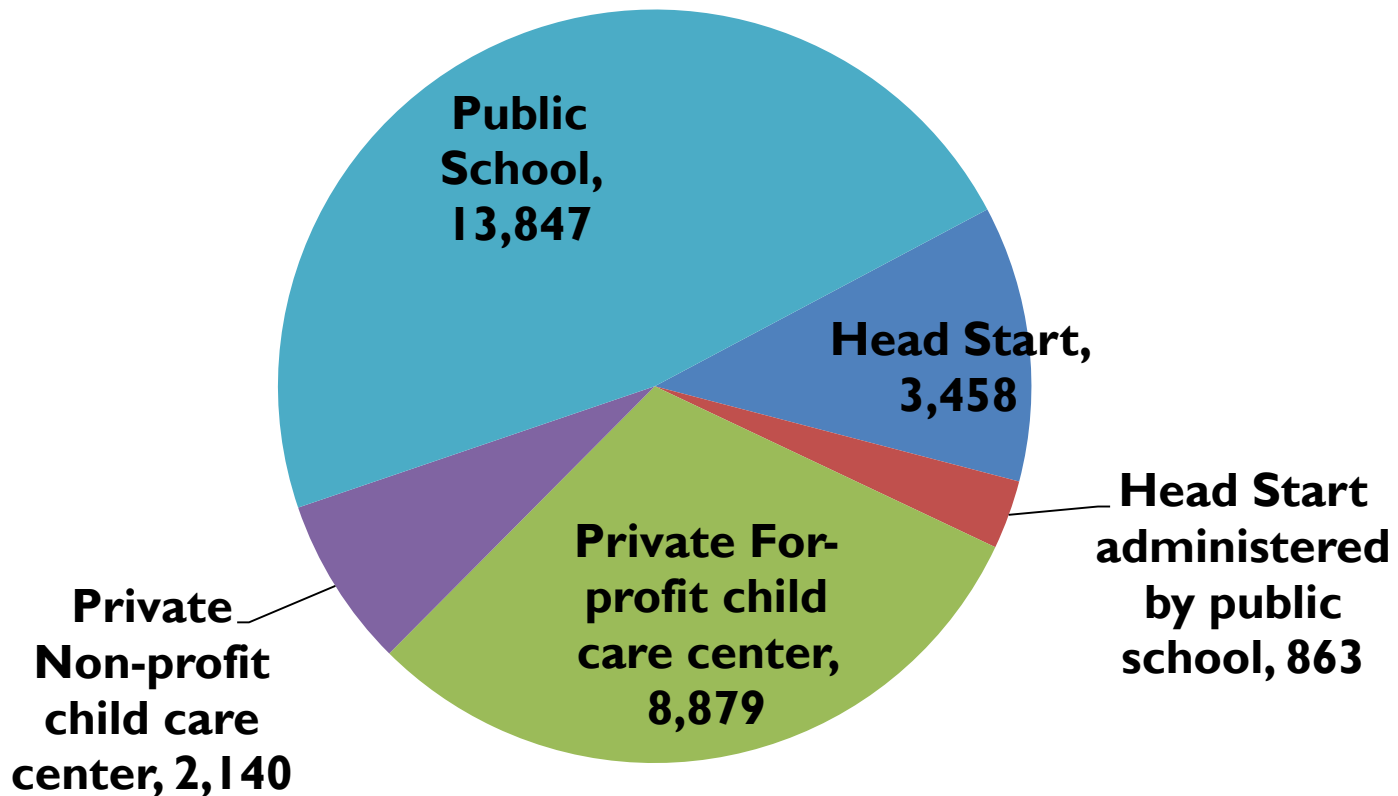
Contractors by Type

- Public School – 42
- Local Partnership for Children – 46
- Head Start – 3

Source: Division of Child Development and Early Education, and NC Pre-K Program Data 2018-19, November 30, 2018



# Students Served by Facility Type FY 2018-19



Source: Division of Child Development and Early Education, and NC Pre-K Program Data 2018-19, November 30, 2018



# Monthly NC Pre-K Rates by Facility Type

<b>Facility Type</b>	
Private Child Care - Lead Teacher with Birth-Kindergarten License	\$650
Private Child Care - Lead Teacher with 4-Year Degree without Birth-Kindergarten License	\$600
Public Schools	Up to \$473
Head Start	Up to \$400



# NC Pre-K Slots and Average State Cost Per Slot

	Contracted Slots	Avg. Cost
FY 11-12	26,818	\$4,928
FY 12-13	29,572	\$4,801
FY 13-14	26,617	\$5,067
FY 14-15	26,851	\$5,209
FY 15-16	26,781	\$5,225
FY 16-17	27,019	\$5,228
FY 17-18	28,384	\$5,292
FY 18-19	29,791	\$5,554

Source: Division of Child Development and Early Education





# NC Pre-K Slots

There were 1,422 additional slots allocated for FY 2018-19.

There were 33 counties who did not request additional slots for one or more of the following reasons:

- No waiting list
- Inability to locate qualified teachers
- Insufficient capacity
- No local dollars to supplement State funding

Source: DCDEE, 2018-19 NCPK Original and Expansion Slots.xlsx



# NC Pre-K Slots

A cost study was completed by The Center for Urban Affairs and Community Services at North Carolina State University. They reported the following:

Facility Type	Average Slot Cost	State Funding Percentage of Cost
Private Child Care Center	\$9,088	72%
Public Schools	\$9,131	56%
Head Start	\$9,197	46%
Average	\$9,126	61%

Source: Study Costs and Effectiveness Associated with NC Pre-K Slots Session Law 2016-94, Section 12B.4, as amended by Measurability Assessments/Budget Technical Corrections, Session Law 2016-123, Section 5.4, submitted February 1, 2017



# NC Pre-K Slots Local Contributions

NC Pre-K 2018 Annual report stated NC Pre-K subcontractors serve children for 10 months. If a similar amount of funds is expended for the remaining five months of services, a total of \$54.9 million of other resources may be expended.

Certified Other Resources	Expenditures Reported 7/1/17-11/30/17
Title I	\$5,680,048
Smart Start	\$2,756,807
Child and Adult Care Food Program	\$1,549,713
Preschool Disabilities Program	\$4,432,657
Head Start	\$7,592,055
Local Appropriations	\$1,988,706
Private Providers	\$1,306,576
Other	\$2,163,158
<b>TOTAL (Five months)</b>	<b>\$27,469,720</b>

Source: North Carolina Pre-K Program Annual Report, submitted March 15, 2018



# Pre-K Site Selection

- The NC Pre-K Program requires that every county (or region) participating in NC Pre-K must establish and maintain a NC Pre-K Committee.
- The committee must be co-chaired by the school superintendent for the local education agency (LEA) and the board chair (or designee) for the local Smart Start Partnership.
- The committee selects a contractor agency.
- Each Pre-K committee must have a Site Selection Subcommittee.

Source: NC Pre-Kindergarten (NC Pre-K) Program Requirements and Guidance, published by the Division of Child Development and Early Education



# Pre-K Site Selection

S.L. 2012-142 Section 10.1(f) requires DCDEE to establish a standard decision-making process to be used by local NC Pre-K committees in awarding NC Pre-K classroom slots and student selection. DCDEE has implemented a standard site selection application and a site selection rubric which all Site Selection Subcommittees must utilize in awarding Pre-K classrooms.

Source: NC Pre-Kindergarten (NC Pre-K) Program Requirements and Guidance, published by the Division of Child Development and Early Education



# Contractor Duties

The Contractor must report to the County/Region NC Pre-K Committee throughout the year on the implementation of the County/Region Plan including:

- Program progress (recruiting, child identification and eligibility, enrollment, and attendance);
- Site updates (child placement; star licensure progress);
- Site staff education levels, staff salaries and progress toward goals (administrators, teachers, assistants);
- Professional development activities;



# Contractor Duties Continued

- Efforts to collaborate with other agencies;
- Strengths and barriers to service delivery;
- Efforts to implement plans related to transportation, transitions, helping families access health insurance and a medical and dental home, helping ensure child health assessments, and consultation from a qualified health professional; and
- Fiscal and budget reports, including funds received and funds paid to subcontractor(s).



# Additional Functions – Committee and Contractor

The Committee serves in an advisory role to the Contract Administrator in the development, implementation and annual review of local policies, plans, procedures and practices for the NC Pre-K Program, including but not limited to the following:

- Developing and implementing a coordinated process for recruiting, identifying and placing four-year-old children who are at-risk
- Participating in public/private collaborative efforts to offer professional development services to early childhood programs in the community,
- Demonstrating and documenting how programs are accessing resources other than those provided by the NC Pre-K Program;
- Documenting agreements with other community agencies regarding the provision of services to young children with disabilities;

Source: NC Pre-Kindergarten (NC Pre-K) Program Requirements and Guidance, published by the Division of Child Development and Early Education





# Additional Functions – Committee and Contractor Continued

- Developing and implementing a written plan to prevent the suspension and/or expulsion of children with unique needs/challenging behaviors
- Developing and implementing a written transportation plan
- Developing and implementing a written transition plan showing how the needs of participating children will be implemented as they transition into Pre-Kindergarten and then into Kindergarten
- Developing and implementing a written family engagement plan
- Developing a plan for consultation services from a qualified health consultant for all sites

Source: NC Pre-Kindergarten (NC Pre-K) Program Requirements and Guidance, published by the Division of Child Development and Early Education



# 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.



# Smart Start

Smart Start is a network of 75 nonprofit local partnerships that serve all 100 North Carolina counties.

## Vision

Each child reaches his or her potential and is prepared for success in a global community.

## Mission

Advance a high quality, comprehensive, accountable system of care and education for each child beginning with a healthy birth.



# Smart Start Significant Legislation

S.L. 2017-57, Appropriations Act of 2017 provided \$3.5 million in FY 2017-18 and \$7 million in FY 2018-19 for the Dolly Parton Imagination Library.

- 208,488 North Carolina children are currently enrolled in the program (35% of the estimated number of children under the age of five)
- As of February 2019, 1.46 million books have been mailed to NC kids

Source: North Carolina Partnership for Children



# The North Carolina Partnership for Children, Inc. (NCPC)

Responsibilities include:

- Training local partnership board members and staff on fiduciary and programmatic oversight
- Monitoring local partnerships to ensure compliance with state and federal laws, legislative mandates, and state policies
- Maintaining a centralized portal for collection of programmatic data including numbers served and outcomes for each activity



# The North Carolina Partnership for Children, Inc.

The Smart Start Ratings Guide of Evidence-Based and Evidence-Informed Programs and Practices<sup>1</sup> is an interactive website that provides local partnerships with information on program outcomes to support informed budget choices that produce targeted results for communities.

<sup>1</sup>Heinemeier, S., D'Agostino, A., Johnson, L., Mead, E., Nelson, J., O'Donnell, W., Spence, A. (2018) Smart Start Evidence-Based and Evidence-Informed Programs and Practices: A Summary of Research Evidence, Revised Edition. Ed. K. McCombs-Thornton. Raleigh, NC: The North Carolina Partnership for Children.



# The North Carolina Partnership for Children, Inc.

There are 4 ratings categories in the Smart Start Evidence-Based and Evidence-Informed Programs and Practices:

- Evidence-based: Well-established
- Evidence-informed: Promising
- Evidence-based: Established
- Evidence-informed: Emerging



# The North Carolina Partnership for Children, Inc.

The Smart Start Evidence-Based and Evidence-Informed Programs and Practices lists 4 categories of services:

Literacy

Family Support

Early Care & Education

Health

Information provided on each program/service includes:

Goals

Program Features

Target Audience

Documented Outcomes

Research Evidence





# Local Smart Start Boards

## Responsibilities

- Provide ongoing analyses of their local needs that must be met to ensure that the developmental needs of children are met.
- Provide programs and services to meet these needs while remaining accountable for the programmatic and fiscal integrity of their programs and services to the North Carolina Partnership.



# Smart Start and NC Pre-K

Local Smart Start Partnerships provided \$8.64 million in funding for NC Pre-K in FY 2017-18.

- Financial assistance paid on a direct per child basis for the purpose of enhancing the NC Pre-K rate
- NC Pre-K Quality Enhancement and Support – Quality improvement/assurance activities for NC Pre-K classrooms. May include on-site TA, training, and coaching.

# Smart Start Budget

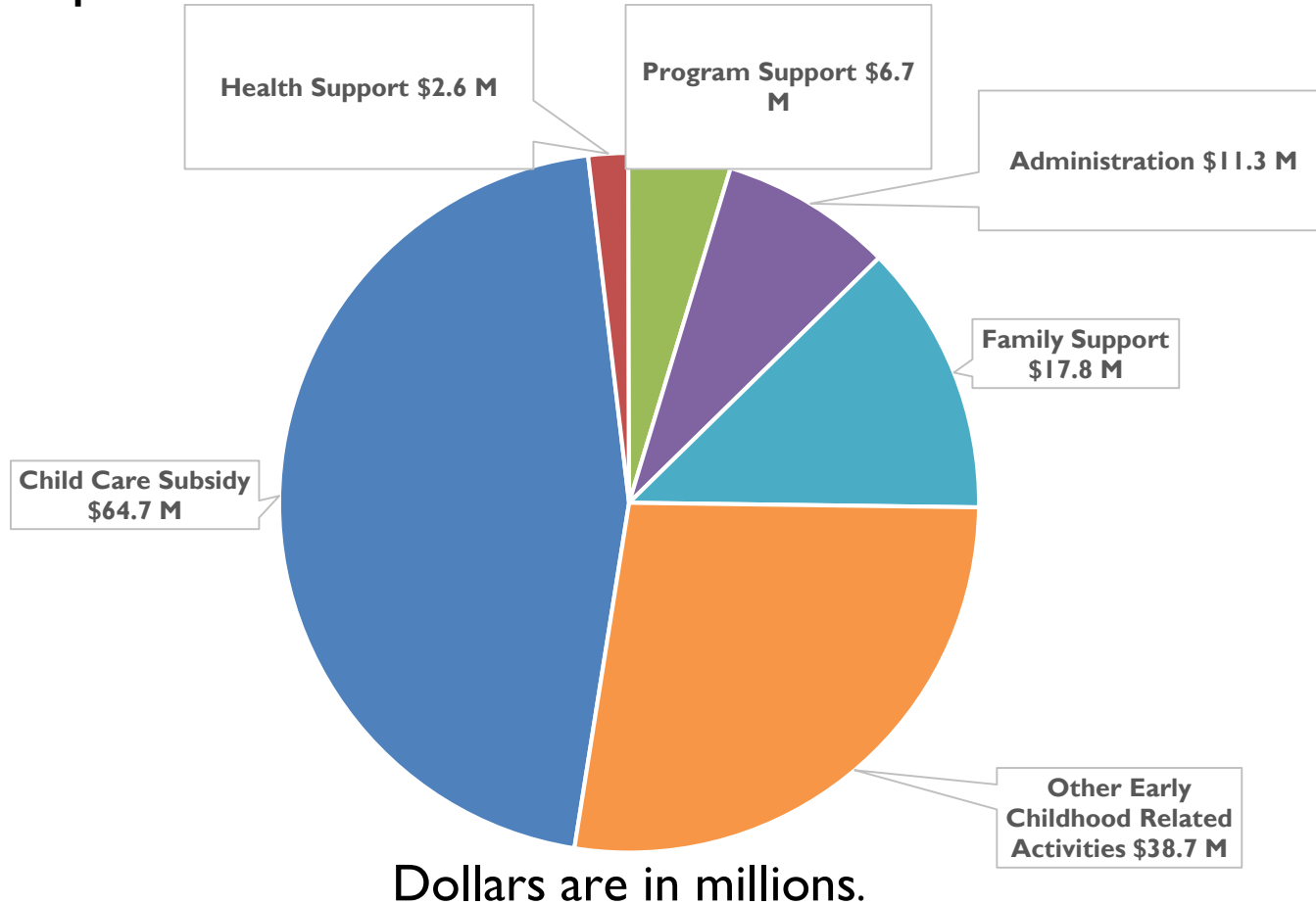
	2016-17	2017-18	2018-19	2019-20	2020-21
	Enacted Budget	Enacted Budget	Enacted Budget	Base Budget	Base Budget
<b>Total Requirements</b>	<b>\$147,013,453</b>	<b>\$150,638,453</b>	<b>\$154,388,453</b>	<b>\$154,013,453</b>	<b>\$154,013,453</b>
<b>Total Receipts</b>	<b>\$7,000,000</b>	<b>\$7,000,000</b>	<b>\$7,000,000</b>	<b>\$7,000,000</b>	<b>\$7,000,000</b>
<b>Total Net Appropriation</b>	<b>\$140,013,453</b>	<b>\$143,638,453</b>	<b>\$147,388,453</b>	<b>\$147,013,453</b>	<b>\$147,013,453</b>
<b>1162 Smart Start - Child Care Related Activities</b>					
Requirements	\$52,371,075	\$52,371,075	\$52,371,075	\$52,371,075	\$52,371,075
Receipts	\$0	\$0	\$0	\$0	\$0
Net Appropriation	\$52,371,075	\$52,371,075	\$52,371,075	\$52,371,075	\$52,371,075
<b>1271 Smart Start - Family Support Activities</b>					
Requirements	\$18,434,178	\$22,059,178	\$25,809,178	\$25,434,178	\$25,434,178
Receipts	\$0	\$0	\$0	\$0	\$0
Net Appropriation	\$18,434,178	\$22,059,178	\$25,809,178	\$25,434,178	\$25,434,178
<b>1381 Smart Start - Subsidized Child Care</b>					
Requirements	\$70,680,616	\$70,680,616	\$70,680,616	\$70,680,616	\$70,680,616
Receipts	\$7,000,000	\$7,000,000	\$7,000,000	\$7,000,000	\$7,000,000
Net Appropriation	\$63,680,616	\$63,680,616	\$63,680,616	\$63,680,616	\$63,680,616
<b>14A0 Smart Start - Health Related Activities</b>					
Requirements	\$5,527,584	\$5,527,584	\$5,527,584	\$5,527,584	\$5,527,584
Receipts		\$0	\$0	\$0	\$0
Net Appropriation	\$5,527,584	\$5,527,584	\$5,527,584	\$5,527,584	\$5,527,584

Sources: BD 307s for FY 2016-17 through FY 2018-19 and WSI for FY 2019-21

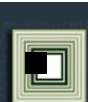


# Local Partnership Expenditures

Total Local Expenditure is \$142 million



Source: Smart Start Annual Report for FY 2017-18



# Use of State Funds

G.S. 143B-168.15, Use of State funds, requires at least:

- 70% of funds spent each year must be used in child care related activities and early childhood education programs
- 30% of each local partnership's direct services allocation must be spent on child care subsidies
- \$52 million must be spent by local partnerships for child care subsidies that meets the Temporary Assistance to Needy Families (TANF) maintenance of effort requirement and the Child Care Development Fund and Block Grant match requirement.



# Smart Start Match Requirement

	2013-14		2014-15		2015-16		2016-17		2017-18	
	Required	Actual	Required	Actual	Required	Actual	Required	Actual	Required	Actual
In-Kind	\$4.4	\$8.7	\$5.9	\$8.4	\$7.4	\$10.5	\$8.8	\$11.8	\$8.8	\$13.3
Cash	\$16.2	\$20.0	\$16.2	\$20.4	\$17.6	\$23.8	\$19.1	\$27.7	\$19.1	\$24.7
Total	\$20.6	\$28.7	\$22.1	\$28.8	\$25.0	\$34.3	\$27.9	\$39.5	\$27.9	\$37.9

The total match requirement is 19% of which at least 13% must be cash and 6% in-kind contributions.

The Dolly Parton Imagination Library funding is exempt from this requirement.



# Smart Start Services and Number Served

Promoting Early Literacy	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Children participating in the Reach Out and Read program	37,673	45,907	43,537	70,505	81,367
Medical offices participating in the Reach Out and Reach program	66 offices in 29 counties	74 offices in 40 counties	79 offices in 45 counties	116 offices in 51 counties	146 offices in 58 counties
Number of families participating in Raising a Reader	7,221	7,114	6,816	7,028	8,419
Number of children participating in Dolly Parton Imagination Library			32,272	37,543	162,037
Number of children whose caregivers are participating in Motherread or Fatherread			953	619	517
Number of children whose caregivers are participating in other literacy programs			2,840	4,611	2,891

Source: Smart Start Annual reports.



# Smart Start Services and Number Served

Quality of Care & Access	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Child Care Programs receiving support to improve or maintain the quality of care	2,229	2,342	2,865	2,316	1,974
Children receiving subsidy assistance from Smart Start.	30,096	27,757	24,208	24,615	24,427
Teachers receiving an education-based salary supplement	5,797	5,596	5,362	4,715	4,732
Teachers participating in Smart Start-funded programs that help them to study early education at the college level	2,094	2,151	2,528	1,517	1,411

Source: Smart Start Annual reports.





# Smart Start Services and Number Served

<b>Supporting Families</b>	<b>FY 2013-14</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>
<b>Families participating in ongoing parenting programs</b>	<b>3,283</b>	<b>2,456</b>	<b>2,888</b>	<b>1,841</b>	<b>1,648</b>
<b>Parents receiving assistance through the evidence-based Parents as Teachers program.</b>	<b>3,235</b>	<b>2,088</b>	<b>2,819</b>	<b>2,970</b>	<b>2,662</b>
<b>Number of families participating in Incredible Years funded by Smart Start</b>	<b>269</b>	<b>307</b>	<b>333</b>	<b>326</b>	<b>310</b>
<b>Number of families participating in Nurse Family Partnership</b>			<b>429</b>	<b>653</b>	<b>846</b>
<b>Number of caregivers participating in Positive Parenting Program (Triple P) class</b>			<b>258</b>	<b>511</b>	<b>537</b>
<b>Number of caregivers participating in Nurturing Parenting Program(NPP)</b>			<b>1,071</b>	<b>1,102</b>	<b>930</b>

Source: Smart Start Annual reports.



# Smart Start Services and Number Served

Child Health and Nutrition	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Children with special needs or at risk for developmental delay receiving Smart Start health-related enhanced services	4,923	1,394	1,110	1,276	929
Child Care facilities receiving child health consultation services	2,333	2,318	2,078	2,025	1,833
Children that participated in Shape NC initiatives	1,158	7,171	10,727	10,496	1,279 **
Children receiving healthier food options and more physical activity in child care due to Physical Activity Self-Assessment for Child Care program	1,530	2,010	1,860	2,340	2,040
Medical practices and physicians participating in Assuring Better Child Development (ABCD)	127 practices	204 practices	246 practices	152 practices	89 practices*

\*Federal grant supporting the program ended.

\*\* Shape NC was redesigned to be a more intensive intervention concentrated in 4 counties.

Source: Smart Start Annual reports.



# Program/Initiative Comparison

	<b>Smart Start</b>	<b>Child Care Subsidy</b>	<b>NC Pre-K</b>
<b>Mission</b>	School Readiness	Provide needs based child care assistance	School Readiness
<b>Target Population</b>	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/Initiative Comparison

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



# Questions?

**Deborah Landry, Fiscal Analyst**  
**Fiscal Research Division**  
**Room 619, LOB**  
**919-733-4910**  
**[www.ncleg.net/fiscalresearch/](http://www.ncleg.net/fiscalresearch/)**

