



CHILD CARE & EARLY LEARNING

STATE CHILD CARE ASSISTANCE POLICIES: NORTH CAROLINA

- **Income eligibility limit:** In 2016, a family of three in North Carolina could qualify for child care assistance with an annual income up to \$40,180 (199 percent of poverty, 71 percent of state median income).¹
- **Waiting list:** North Carolina had 20,330 children on a waiting list for child care assistance as of February 2016.
- **Parent copayments:** In 2016, a family of three with an income at 100 percent of poverty (\$20,160 a year) receiving child care assistance in North Carolina paid \$168 per month, or 10 percent of its income, in copayments. A family of three with an income at 150 percent of poverty (\$30,240 a year) receiving child care assistance paid \$252 per month, or 10 percent of its income, in copayments.²
- **Reimbursement rates:** In 2016, North Carolina's reimbursement rates for child care providers serving families receiving child care assistance were below the federally recommended level—the 75th percentile of current market rates, which is the level designed to give families access to 75 percent of the providers in their community.³
 - North Carolina's monthly reimbursement rate for center care for a four-year-old in Mecklenburg County was \$776, which was \$264 (25 percent) below the 75th percentile of current market rates for this type of care.⁴
 - North Carolina's monthly reimbursement rate for center care for a one-year-old in Mecklenburg County was \$870, which was \$300 (26 percent) below the 75th percentile of current market rates for this type of care.⁵
- **Tiered reimbursement rates:** In 2016, North Carolina paid higher reimbursement rates for higher-quality care.
 - The reimbursement rate for center care for a four-year-old in Mecklenburg County at the highest quality tier was 63 percent higher than the rate at the lowest quality tier.
 - The reimbursement rate for center care for a four-year-old in Mecklenburg County at the highest quality tier was still below the 75th percentile of current market rates.⁶
- **Eligibility for parents searching for a job:** In 2016, North Carolina allowed parents to continue receiving child care assistance for up to 30 days while searching for a job.⁷ However, the state did not allow parents to qualify for child care assistance while searching for a job.

Source: Karen Schulman and Helen Blank, Red Light Green Light: State Child Care Assistance Policies 2016 (Washington, DC: National Women's Law Center, 2016). These data reflect policies as of February 2016, unless otherwise indicated.



- 1 This income limit applies to families with children ages birth through five years and families with children of any age who have special needs; the income limit for families with children ages six to thirteen was \$26,720 (133 percent of the 2015 federal poverty level) in 2016.
- 2 Children receiving protective services, child welfare services, or foster care services are exempt from copayments.
- 3 This analysis reflects rates in effect as of February 2016. The state increased rates for three-, four-, and five-star licensed providers serving children ages three to five in tier one and tier two counties as of October 2016. (There are five star levels in the state's quality rating and improvement system, which is mandatory for all licensed providers except those that are religious sponsored. One- and two-star providers are no longer eligible to serve children receiving child care assistance. Religious-sponsored providers not participating in the quality rating and improvement system and new providers with a temporary license are reimbursed at the rate previously used for one-star providers. Also note that the state's 100 counties are ranked based on economic well-being and assigned a tier designation, with the 40 most distressed counties designated as tier one, the next 40 as tier two, and the 20 least distressed as tier three.)
- 4 The state's market rate survey differentiates between quality levels and the 75th percentile of market rates is obtained for providers at each quality level. The reimbursement rate for the most common rate level (the level representing the greatest number of providers) is compared here to the 75th percentile for that same quality level.
- 5 The reimbursement rate for the most common rate level is compared here to the 75th percentile for that same quality level.
- 6 The reimbursement rate for the highest quality level is compared here to the 75th percentile for that same quality level.
- 7 In February 2016, parents receiving child care assistance could continue to receive it while searching for a job for up to 30 calendar days, and could request a 30-day extension. The state extended the amount of time parents receiving child care assistance can continue to receive it while searching for a job to 90 days as of June 2016.

