

CHILD CARE & EARLY LEARNING

STATE CHILD CARE ASSISTANCE POLICIES: NORTH CAROLINA

- **Income eligibility limit:** In 2017, a family of three in North Carolina could qualify for child care assistance with an annual income up to \$40,176 (197 percent of poverty, 68 percent of state median income).¹
- **Waiting list:** North Carolina had 26,608 children on a waiting list for child care assistance as of March 2017.
- **Parent copayments:** In 2017, a family of three with an income at 100 percent of poverty (\$20,420 a year) receiving child care assistance in North Carolina paid \$170 per month, or 10 percent of its income, in copayments. A family of three with an income at 150 percent of poverty (\$30,630 a year) receiving child care assistance paid \$255 per month, or 10 percent of its income, in copayments.²
- **Payment rates:** In 2017, North Carolina's payment 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 payment 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 payment 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 payment rates:** In 2017, North Carolina had higher payment rates for higher-quality care.
 - The payment 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 payment 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 2017, North Carolina allowed parents already receiving child care assistance to continue receiving it for up to 90 days while searching for a job. However, the state did not allow parents to initially qualify for and begin receiving child care assistance while searching for a job.

Source: Karen Schulman and Helen Blank, Persistent Gaps: State Child Care Assistance Policies 2017 (Washington, DC: National Women's Law Center, 2017). These data reflect policies as of February 2017, 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 13 without special needs was \$26,724 in February 2017. Also note that, in February 2017, families already receiving assistance whose income exceeded the initial eligibility limit to qualify for assistance could continue receiving assistance, for up to an additional three months after their recertification, if their income did not exceed \$48,342. As of April 2017, the income limit to qualify for assistance was increased to \$40,836 (200 percent of poverty) for families with children birth through age five and families with children of any age who have special needs and to \$27,156 (133 percent of poverty) for families with children ages six to 13 without special needs to adjust for the 2017 federal poverty level, and the exit eligibility limit was increased to \$49,980 (85 percent of state median income) to adjust for the updated state median income estimate.
- 2 Children receiving protective services or child welfare services, foster families, and children with no income who reside in the home of an adult other than their parents, stepparents, or nonparent relative caretaker are exempt from copayments.
- 3 This analysis reflects rates in effect as of February 2017. The state increased rates for three-, four-, and five-star licensed providers serving school-age children in tier one and tier two counties, and rates for three-, four-, and five-star licensed providers serving children birth through age two in tier three counties, as of October 2017. (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. Mecklenburg County is a tier three county.)
- 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 payment 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 payment rate for the most common rate level is compared here to the 75th percentile for that same quality level.
- 6 The payment rate for the highest quality level is compared here to the 75th percentile for that same quality level.

