



**NATIONAL
WOMEN'S
LAW CENTER**

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FEBRUARY 2020 | FACT SHEET

CHILD CARE & EARLY LEARNING

State Child Care Assistance Policies: North Carolina

- **Income eligibility limit:** In 2019, a family of three in North Carolina could qualify for child care assistance with an annual income up to \$40,836 (191 percent of poverty, 67 percent of state median income).¹
- **Waiting list:** North Carolina had 29,201 children on a waiting list for child care assistance as of January 2019.²
- **Parent copayments:** In 2019, a family of three with an income at 100 percent of poverty (\$21,330 a year) receiving child care assistance in North Carolina paid \$178 per month, or 10 percent of its income, in copayments. A family of three with an income at 150 percent of poverty (\$31,995 a year) receiving child care assistance paid \$267 per month, or 10 percent of its income, in copayments.³
- **Payment rates:** In 2019, 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.
 - North Carolina's monthly payment rate for center care for a four-year-old in Mecklenburg County was \$1,035, which was \$118 (10 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 \$1,194, which was \$84 (7 percent) below the 75th percentile of current market rates for this type of care.⁵
- **Tiered payment rates:** In 2019, 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 117 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 2019, North Carolina allowed parents already receiving child care assistance to continue receiving it for up to 90 days while searching for a job.⁷ 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, Early Progress: State Child Care Assistance Policies 2019 (Washington, DC: National Women’s Law Center, 2019). These data reflect policies as of February 2019, unless otherwise indicated.

- 1** This income limit applies to families with children birth through age five 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 \$27,156 (133 percent of poverty) in February 2019. Also note that, in February 2019, families already receiving assistance whose income exceeded the initial eligibility limit to qualify for assistance could continue receiving assistance, for up to an additional 12 months after their recertification, if their income did not exceed \$49,980. As of July 2019, the income limit to qualify for assistance was increased to \$42,660 (200 percent of poverty) for families with children birth through age five and \$28,368 (133 percent of poverty) for families with children ages six to 13 to adjust for the 2019 federal poverty level, and the exit eligibility for the graduated phase-out period was increased to \$54,780 (85 percent of state median income) to adjust for the updated state median income estimate.
- 2** As of March 2019, the state was placing all families on the waiting list except those families receiving child protective services, children receiving protective services and removed from their home to avoid foster care placement, foster children, children experiencing homelessness, and children with special needs.
- 3** 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.
- 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 providers at that same quality level.
- 5** The payment rate for the most common rate level is compared here to the 75th percentile of market rates for providers at that same quality level.
- 6** The payment rate for the highest quality level is compared here to the 75th percentile of market rates for providers at that same quality level.
- 7** Parents can continue receiving child care assistance while searching for a job for up to 90 days even if they reach the end of their eligibility period for child care assistance before the end of that 90-day period.