

State policies that promote health, education, and strong families can help the early development and school readiness of America's youngest citizens. This profile highlights North Carolina's policy choices alongside other contextual data related to the well-being of young children.

Trends¹

North Carolina has maintained the income eligibility for public health insurance since 2001. In 2006, young children in families earning up to 200 percent of the federal poverty level have access to health insurance. Income eligibility for child care subsidies declined as a percentage of poverty between 2001 and 2006, from 223 to 214 percent, but increased as a percent of state median income, from 69 to 75 percent. In December of 2006, more than 20,000 eligible children were on a waiting list for a child care subsidy. Funding for the state prekindergarten program increased more than seven-fold between 2002 and 2006.

Recent Developments¹

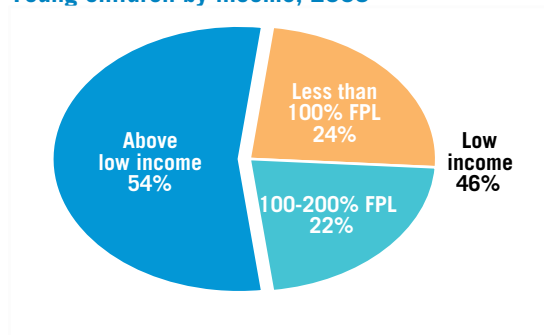
Beginning in 2009, North Carolina will offer a refundable earner income tax credit, equal to 3.5 % of the federal EITC. North Carolina's 2007 budget increased funding for a variety of early childhood initiatives, including: \$14 million to implement a child care provider rate increase; \$450,000 for additional licensing staff; \$13.5 million for Smart Start; \$1 million for the T.E.A.C.H. Early Childhood Program; and \$18 million in lottery funds for its preschool More at Four program.

Updated: September 24, 2009

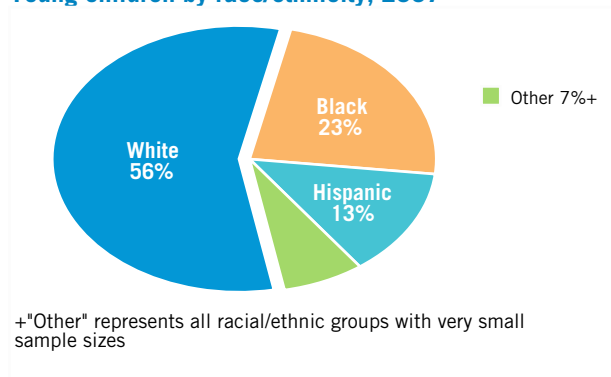
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Young children (under age 6)²: 759,890
Infants and toddlers (under age 3)³: 376,868

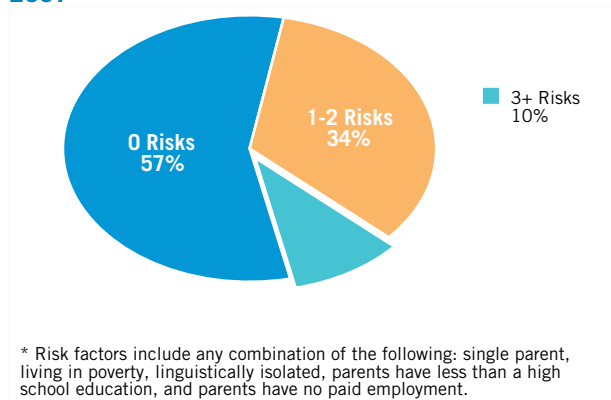
Young children by income, 2008²



Young children by race/ethnicity, 2007³



Exposure to multiple risk factors* among young children, 2007⁴



HEALTH AND NUTRITION

State Choices to Promote Access

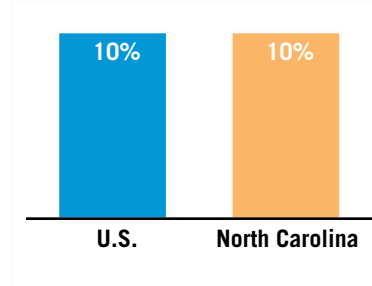
Set the income eligibility limit for public health insurance (Medicaid/SCHIP) at or above 200% of the federal poverty level (FPL). [2009]⁵

- Children <1 year
State eligibility set at 200% FPL
- Children ages 1-5 years
State eligibility set at 200% FPL
- Pregnant women
State eligibility set at 185% FPL
- Working parent
State eligibility set at 51% FPL
- Nonworking parent
State eligibility set at 37% FPL
- Provide temporary coverage to pregnant women under Medicaid until eligibility can be formally determined. [2009]⁹
- Provide temporary coverage to children under Medicaid or SCHIP until eligibility can be formally determined. [2009]⁵
- Include at-risk children in the definition of eligibility for IDEA Part C. [2006]⁶
North Carolina does not include at risk in its definition, but 1,054 infants and toddlers at risk for delay were served in 2005.
- Supplement WIC funding. [2006]⁷
\$790,684. This is a decrease from \$950,000 in 2001.

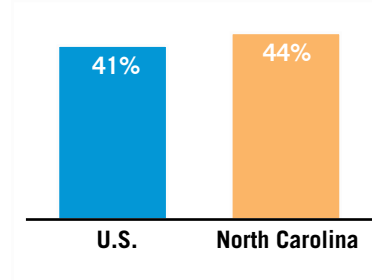
State Choices to Promote Quality

- Meet the national benchmark that 80% of children on Medicaid receive an annual health screening under EPSDT*. [2007]⁸
- Require newborn screening for hearing deficiencies. [2008]⁹
- Require newborn screening for the 28 metabolic deficiencies/disorders recommended by the March of Dimes. [2008]⁹
25 universally required by Law or Rule
- Use the Diagnostic Classification of Mental Health and Development Disorders of Infancy and Early Childhood (DC:0-3) when seeking Medicaid reimbursement. [2006]¹⁰

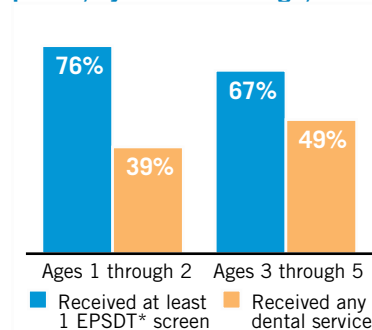
Young children who lack health insurance, 2007³



Medicaid births as a percentage of total births, 2002¹¹



Children on Medicaid receiving care in a 12-month period, by service and age, 2006¹²



* Early and Periodic Screening, Diagnosis, and Treatment (EPSDT)

EARLY CARE AND EDUCATION

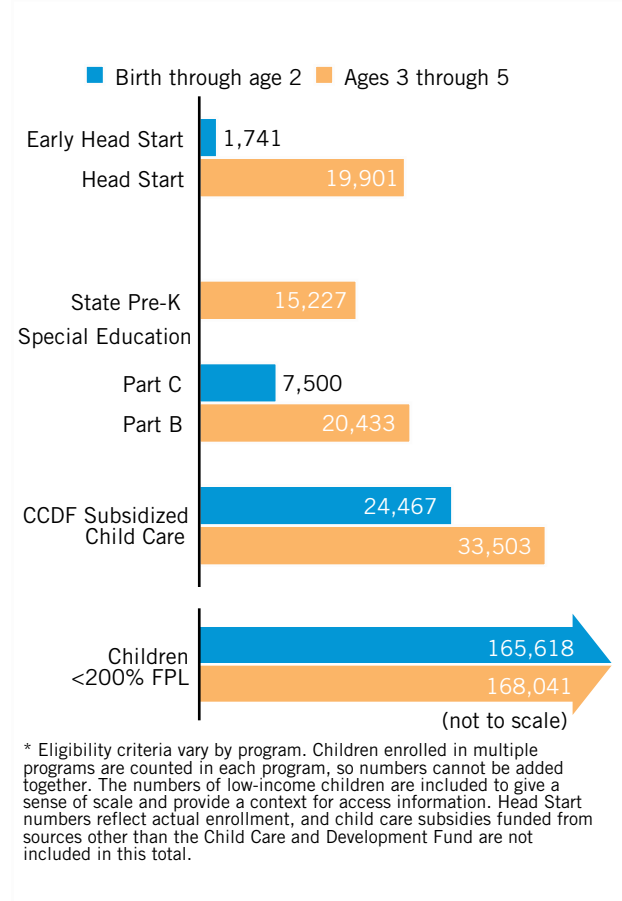
State choices to promote access

- Set the income eligibility limit for child care subsidies at or above 200% FPL. [2008]¹³
A family of three was eligible up to \$36,684, or 208% FPL. This reflects no change in the FPL percentage from 2007.
- Increased the child care subsidy reimbursement rate within the last two years to be at or above the 75th percentile of the market rate. [2008]¹⁴
- Annually redetermine eligibility for child care subsidies, which can promote consistent caregiving relationships. [2008]¹⁵
- Supplement Early Head Start with state or other federal funds. [2008]¹⁶
- Fund a pre-kindergarten program and/or supplement Head Start. [2008]¹⁷
\$140.6 million. This is an increase of \$56 million from 2007.

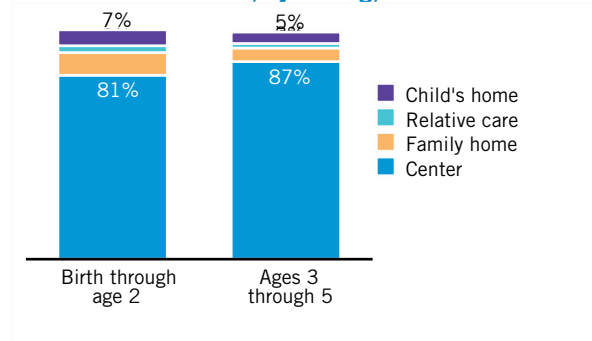
State choices to promote quality

- Require one adult for every 10 4-year-olds, and a maximum class size of 20 in child care centers. [2007]¹⁸
Child care regulations require one adult for every 15 children, and a maximum class size of 25.
- Require one adult for every four 18-month-olds, and a maximum class size of eight in child care centers. [2007]¹⁸
Child care regulations require one adult for every 6 children, and a maximum class size of 12.
- Allocate state or federal funds for a network of infant/toddler specialists that provide assistance to child care providers. [2009]¹⁹
- Have early learning standards or developmental guidelines for infants and toddlers. [2008]²⁰
- Have an infant/toddler credential. [2009]¹⁹
- Require through regulation that infants and toddlers in child care centers be assigned a consistent primary caregiver. [2008]²¹

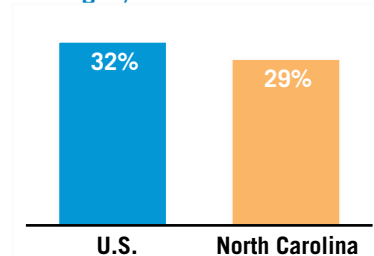
Access to early childhood development programs, by age*, 2006²²



Subsidized child care, by setting, 2005²³



Fourth grade students testing proficient or better in reading**, 2007²⁴



** According to the National Assessment of Educational Progress (NAEP).

PARENTING AND ECONOMIC SUPPORTS

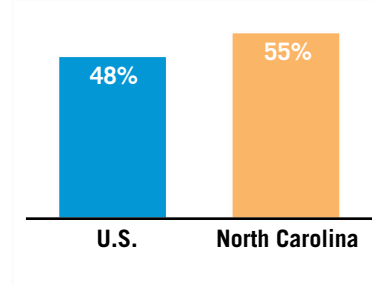
State choices to promote effective parenting

- Provide paid medical/maternity leave. [2008]²⁵
- Have a Medicaid family planning waiver to extend coverage to low-income women to increase the interval between pregnancies. [2008]²⁶
- Exempt single parents on TANF from work requirements until the youngest child reaches age 1. [2006]²⁷
The exemption is limited to 12 months in the recipient's lifetime.
- Reduce the TANF work requirement for single parents with children under age 6. [2006]²⁸
- Allow parents in school to qualify for child care subsidies. [2005]²⁹
- Operate a statewide home visiting program. [2007]³⁰
- Formally link home visiting programs to supports for early childhood development (e.g. Medicaid/SCHIP, early intervention, and early childhood mental health). [2007]³⁰

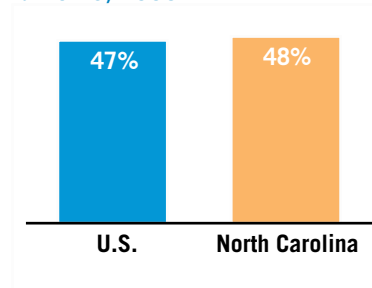
State choices to support family economic security

- Establish a state minimum wage that exceeds the federal minimum wage. [July 2008]³¹
\$6.55
- Exempt a single-parent family of three below the poverty level from personal income tax. [2007]³²
Up to 93%FPL
- Offer a refundable state earned income tax credit. [2008]³³
3.5% of the federal earned income tax credit (EITC)
- Offer a refundable state dependent care tax credit. [2007]³⁴
- Keep copayments for child care subsidies below 10% of family income for most families. [2008]³⁵
- Allow families on TANF to receive some or all of their child support payment without reducing TANF cash assistance. [2007]³⁶
No pass-through/disregard.

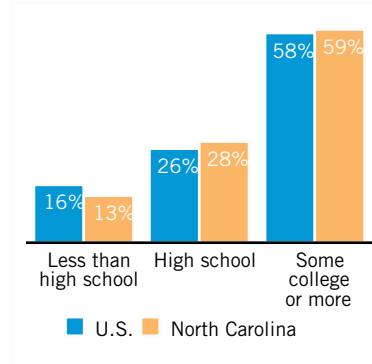
Young children who are read to every day, 2007³⁷



Low-income young children with a parent employed full-time, 2008²



Education levels of mothers with young children, 2007³



This profile is a product of NCCP's *Improving the Odds for Young Children* initiative. It is funded through NCCP's participation in The Birth to Five Policy Alliance, sponsored by the Buffett Early Childhood Fund. The information represents the most recent 50-state data sources and will be updated with the release of new data. See www.nccp.org/improvingtheodds for other state profiles.

DATA NOTES AND SOURCES

1. The trends and recent developments come from personal communications with state advocates, administrators, and policymakers. The following publications were also consulted:
Donna Cohen Ross, Aleya Horn, and Caryn Marks, *Health Coverage for Children and Families in Medicaid and SCHIP: State Efforts Face New Hurdles: A 50-State Update on Eligibility Rules, Enrollment and Renewal Procedures, and Cost-Sharing Practices in Medicaid and SCHIP in 2008*, Kaiser Commission on Medicaid and the Uninsured, January 2008 <http://www.kff.org> (accessed April 11, 2008).
W. Steven Barnett, Jason Hustedt, Allison Friedman, Judi Stevenson Boyd, and Pat Ainsworth, *The State of Preschool 2007*, National Institute for Early Education Research, 2007.
Karen Schulman and Helen Blank, *State Child Care Assistance Policies 2007: Some Steps Forward, More Progress Needed*, National Women's Law Center, September 2007.
National Center for Children in Poverty, *Map and Track State Initiatives for Young Children and Families*, 2000 Edition, 2000
National Conference of State Legislatures, *Child Care and Early Education Legislation Highlights 2005*, June 2006
National Conference of State Legislatures, *Child Care and Early Education Legislation Highlights 2006*, unpublished draft
National Governors Association, *Front and Center education articles*, 2006, <http://www.nga.org>
ZERO TO THREE, *The Baby Monitor*, 2006 Policy and Advocacy News Archive, <http://www.zerotothree.org>
2. State data were calculated from the Annual Social and Economic Supplement (the March supplement) of the Current Population Survey from 2007, 2008, and 2009, representing information from calendar years 2006, 2007, and 2008. NCCP averaged three years of data because of small sample sizes in less populated states. The national data were calculated from the 2009 data, representing information from the previous calendar year.
3. State data were calculated from the Annual Social and Economic Supplement (the March supplement) of the Current Population Survey from 2006, 2007, and 2008, representing information from calendar years 2005, 2006, and 2007. NCCP averaged three years of data because of small sample sizes in less populated states. The national data were calculated from the 2008 data, representing information from the previous calendar year.
4. National and state data were calculated from the 2007 American Community Survey.
5. Donna Cohen Ross and Caryn Marks, *Challenges of Providing Health Coverage of Children and Parents in a Recession: A 50-State Update on Eligibility Rules, Enrollment and Renewal Procedures, and Cost-Sharing Practices in Medicaid and SCHIP in 2009*, Kaiser Commission on Medicaid and the Uninsured, January 2009 <http://www.kff.org> (accessed February 16, 2009).
6. Jo Schackelford, *State and Jurisdictional Eligibility Definitions for Infants and Toddlers with Disabilities* under IDEA, NECTAC Notes, Issue No. 21, July, 2006. and U.S. Department of Education, Office of Special Education Programs, Data Analysis System (DANS), OMB #1820-0557: "Infants and Toddlers Receiving Early Intervention Services in Accordance with Part C," 2006. Data updated as of July 15, 2007.
7. U.S.D.A., Food and Nutrition Services, Data reflect state appropriations for State Fiscal Years 2001 and 2006, personal email (received April 25, 2006).
8. Data reflect the most recent information reported by the states: 20002 for ME; 2003 for WV; 2004 for MS; 2005 for IA, VT, and KY; 2007 for all other states.
U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services, EPSDT CMS-416 Data, FY 2007, updated on July, 1, 2008
9. National Newborn Screening and Genetics Resource Center, *National Newborn Screening Status Report*, updated July 30, 2008 <http://genes-r-us.uthscsa.edu> (accessed August 2008).
10. Ngozi Onunaku, Zero to Three, personal email (received February 6, 2006).
11. Data from some states includes the Medicaid waiver expansion population.
National Governors Association Center for Best Practices, Health Division, *Maternal and Child Health (MCH) Update 2005: States Make Modest Expansions to Health Care Coverage*, 2006.
12. U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services, EPSDT CMS-416 Data, FY 2007, updated on July, 1, 2008
13. Karen Schulman and Helen Blank, *State Child Care Assistance Policies 2008: Too Little Progress for Children and Families*, National Women's Law Center, September 2008.
14. State reimbursement rates are compared to the 75th percentile of market rates (the rate that allows parents access to 75 percent of providers in their community) because federal regulations recommend that rates be set at this level. A state is considered to have rates that were based on current market prices if the market survey used to set its rates was conducted no more than two years earlier (so, for example, rates used in 2005 were considered current if set at the 75th percentile of 2003 or more recent market rates). The data in these tables reflect states' basic rates. Some states may have higher rates for particular types of care such as higher-quality care or care for children with special needs.
Karen Schulman and Helen Blank, *State Child Care Assistance Policies 2008: Too Little Progress for Children and Families*, National Women's Law Center, September 2008.
15. U.S. Department of Health and Human Services, Administration for Children and Families, *Report of State and Territory Plans, FY 2008-2009*, 2008. <http://nccic.acf.hhs.gov> (Accessed February 24, 2009)
16. Rachel Schumacher and Elizabeth DiLauro, *Building on the Promise: State Initiatives to Expand Access to Early Head Start for Young Children and their Families*, Center for Law and Social Policy and Zero to Three Policy Center, April 2008.
17. W. Steven Barnett, Dale J. Epstein, Allison H. Friedman, Judi Stevenson Boyd, Jason T. Hustedt, *The State of Preschool 2008*, National Institute for Early Education Research, 2008.
18. National Child Care Information Center, "Child-Staff Ratios and Maximum Group Size Requirements in 2007," October 2008, <http://nccic.acf.hhs.gov> (accessed February 25, 2009).
19. ZERO TO THREE, personal e-mail (received March 5, 2009) based on information gathered as of February 9, 2009.
20. Zero to Three, personal email (received September 12, 2008) based on information gathered in September 2008.
21. National Association for Regulatory Administration and the National Child Care Information and Technical Assistance Center, *The 2007 Child Care Licensing Study: Final Report*, April 2009, pg 89. Available at <http://www.naralicensing.org> (accessed April 3, 2009)
22. **Number of children (2007)**: State data were calculated from the Annual Social and Economic Supplement (the March supplement) of the Current Population Survey from 2006, 2007, and 2008, representing information from calendar years 2005, 2006, and 2007. NCCP averaged three years of data because of small sample sizes in less populated states. The national data were calculated from the 2008 data, representing information from the previous calendar year.
Early Head Start and Head Start Actual Enrollment (2006): National Child Care Information Center, *The Child Care and Development*

Fund Report of State and Territory Plans, FY 2006-2007 p. 158, U.S. Department of Health and Human Services, Administration for Children and Families, 2006.

State Pre-K enrollment (2006): W. Steven Barnett, Jason Hustedt, Kenneth Robin, and Karen Schulman, *The State of Preschool: 2006 State Preschool Yearbook*, National Institute for Early Education Research, 2006.

Birth to 2 Special Education, Part C (2006): U.S. Department of Education, Office of Special Education Programs, Data Analysis System (DANS), OMB #1820-0557: "Infants and Toddlers Receiving Early Intervention Services in Accordance with Part C," 2006. Data updated as of July 15, 2007.

Ages 3 to 5 Special Education, Part B (2006): U.S. Department of Education, Office of Special Education Programs, Data Analysis System (DANS), OMB #1820-0043: "Children with Disabilities Receiving Special Education Under Part B of the Individuals with Disabilities Education Act" 2006. Data updated as of July 15, 2007. (accessed January 30, 2008).

Subsidized Child Care (2006): National Child Care Information Center, *The Child Care and Development Fund Report of State and Territory Plans, FY 2006-2007* p. 158, U.S. Department of Health and Human Services, Administration for Children and Families, 2006.

23. Data represent the sum of children served in the specified location, regardless if the provider is licensed/regulated or legally operating without a license. Family home includes children served in group home care. U.S. Department of Health and Human Services, Administration for Children and Families, Administration on Children, Youth and Families, Child Care Bureau. Child care and development fund administrative data federal fiscal year 2005 [Computer file]. ICPSR04379-v1. Rockville, MD: Anteon Corporation, Child Care Automation Resource Center [producer], 2008. Ann Arbor, MI: Inter-university Consortium for Political and Social Research [distributor], 2008.
24. U.S. Department of Education, Institute of Education Sciences, National Center for Educational Statistics, National Assessment of Educational Progress (NAEP), 2007 Reading Assessment.
25. National Partnership for Women and Families, *Expecting Better: A State-by-State Analysis of Parental Leave Programs*, 2005 <http://paysickdays.nationalpartnership.org> (accessed March 2007). and National Conference of State Legislatures, State Family and Medical Leave Law the Differ from the Federal FMLA, 2008. Available at: <http://www.ncsl.org> (Accessed March 11, 2009)
26. State Medicaid Family Planning Eligibility Expansions, State Policies in Brief, as of April 1, 2007, Guttmacher Institute. Available at: <http://www.guttmacher.org> (accessed through <http://www.statehealthfacts.org> on April 30, 2008).
27. This table refers to single custodial parents over 21 years old. A sanction cannot be imposed for a child who has not attained 6 years of age if child care is unavailable. Gretchen Rowe and Mary Murphy, *The Welfare Rules Databook: State Policies as of July 2006*, Assessing the New Federalism, The Urban Institute, 2007, Table III.B.1.
28. Gretchen Rowe and Mary Murphy, *The Welfare Rules Databook: State Policies as of July 2006*, Assessing the New Federalism, The Urban Institute, 2007, Table III.B.2, footnotes 3, 16, 19, 20, 21, and 27.
29. Karen Schulman and Helen Blank, *Child Care Assistance Policies 2005: States Fail to Make up Lost Ground, Families Continue to Lack Critical Supports*, National Women's Law Center, September 2005.
30. 2007 Survey conducted by Kay Johnson for the National Center for Children in Poverty (Publication forthcoming.) Indiana, Kansas, Vermont, Washington, and D.C. did not respond to the survey.
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32. Jason A. Levitis and Andrew C. Nicholas, *The Impact of State Income Taxes on Low-Income Families in 2007*, Center on Budget and Policy Priorities, 2008. Available at: <http://www.cbpp.org> (Accessed March 19, 2009).
33. Community Resources Information, Inc., *TaxCreditResources.org*, section last updated 03/06/09, taxcreditresources.org (accessed March 25, 2009).
34. National Women's Law Center, *State Child and Dependent Care Tax Provisions, Tax Year 2007*, 2007.
35. U.S. Department of Health and Human Services, Administration for Children and Families, Report of State and Territory Plans, FY 2008-2009, 2008. <http://nccic.acf.hhs.gov> (Accessed April 2, 2009)
36. Jan Justice, *State Policy Re Pass-Through and Disregard of Current Month's Child Support Collected for Families Receiving TANF-Funded Cash Assistance*, Center for Law and Social Policy, 2007.
37. National Survey of Children's Health, Data Resource Center on Child and Adolescent Health *The Child and Adolescent Health Measurement Initiative* (2009). Retrieved June 1, 2009 from <http://www.nschdata.org>.