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Creating a Coordinated, Integrated Early Care and Education System: State Early Childhood Administration

American families are faced with the challenge of finding and affording quality child care. Parents must navigate a patchwork system of providers, and for many, the system (or lack thereof) can make finding, accessing, and affording this care a nightmare. This is especially true for low-income families who must also navigate the subsidy system. And once in a program, dealing with the fragmentation of services further costs parents time and money. For example, when children age out of Early Head Start at age 3, parents are required to reapply for Head Start.

While Congress allocates billions of dollars to federal agencies for ECE, state governments are tasked with coordinating and combining the many different ECE funding streams allocated to them. The way states administer these funds can result in inconsistencies in program implementation and monitoring, leading to even more frustration for families. Requests for studies from the U.S. Government Accountability Office (GAO) dating back to 1994 show a consistent belief that there would be sufficient funding to serve most children if duplication and overlap of ECE funds were reduced and states aligned programs more efficiently. States, on the other hand, frequently point to the federal government as the reason for the duplication.

Congress, however, intended for states to be more aggressive in coordinating ECE programs with the creation of the State Advisory Council (SAC) for Early Childhood Education and Care in the Improving Head Start for School Readiness Act of 2007. SACs are responsible for supporting state efforts in identifying opportunities for collaboration and coordination among ECE programs and facilitating the development of high quality ECE systems. Despite SACs being required by law, only 45 states and the District of Columbia have functioning SACs.

Additionally, while GAO reports have provided more information on administration at the federal level, there remains little information about administration at the state level. A 2017 GAO report on the topic of fragmentation and overlap in ECE found that, at the federal level, there was improved coordination resulting in more efficient administration of funds. The report identified nine major programs with an explicit purpose of providing support to early learning or child care programs. To date, however, GAO has not looked at state implementation of the nine federal funding streams.

The Bipartisan Policy Center set out to examine in greater depth the issues of administration (governance), coordination, and integration by reviewing the requirements set forth in the various authorizing statutes and followed by federal agency requirements, as well as how the states were administering ECE funds. **For all but one federal program, governors have wide discretion with regard to the administration and coordination of these funds.**

With this in mind, BPC is making recommendations at the federal and state level with an eye towards further reducing duplication and improving results for families. These recommendations are summarized in the full report. The following summarizes the findings for *North Carolina*.

STRENGTHS OF NORTH CAROLINA'S EARLY CARE AND EDUCATION SYSTEM

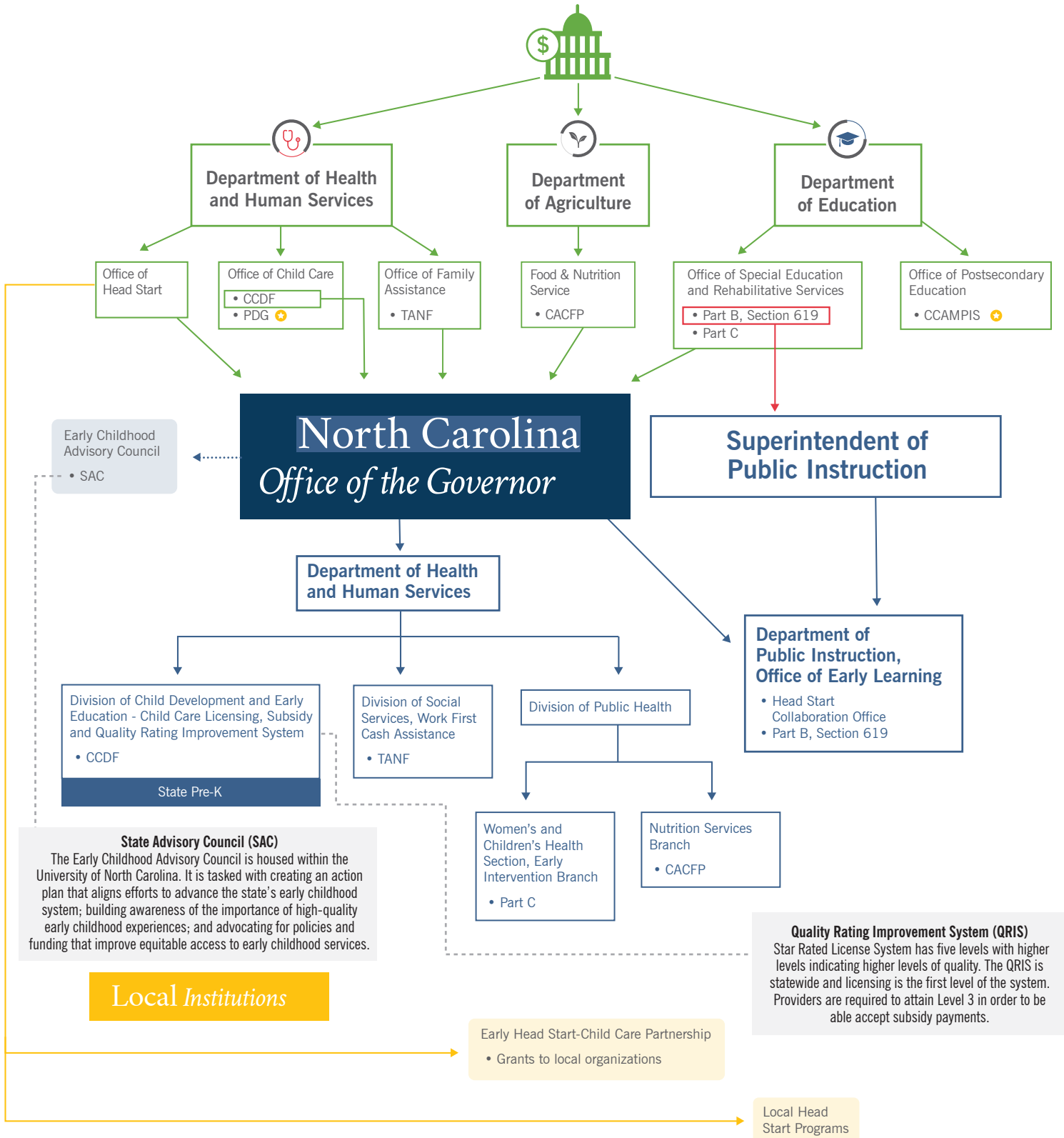
- North Carolina administers the Child and Adult Care Food Program, the Child Care and Development Fund (CCDF), and state Pre-K under one agency, which improves efficiency and cost-effectiveness of monitoring and oversight.
- North Carolina includes licensing as the entry level for its Quality Rating and Improvement System, which ensures quality for all programs serving children.

RECOMMENDATIONS FOR NORTH CAROLINA'S EARLY CARE AND EDUCATION SYSTEM

- Increase efficiency by aligning Head Start Collaboration Office with CCDF and state Pre-K.
- Facilitate cross-agency communication to ensure seamless coordination and transition for IDEA Part C (infants/toddlers) and Part B, Section 619 (3-5 year olds).
- Ensure the State Advisory Council for Early Education and Care, mandated by the Improving Head Start for School Readiness Act of 2007, is fulfilling its required activities, including conducting a statewide needs assessment on the quality and availability of early care and learning programs.

Flow of Federal Early Childhood Funds: North Carolina

- KEY:**
- Funding mandated for State Departments of Education
 - Funding provided directly to local organizations
 - ⊕ State does not receive funding
 - ⇨ Partnership with funding provided by state department or agency



ECE Funding in North Carolina

Funding from Nine GAO-Identified Programs	FY 2016 Funding	Numbers Served	
		Children	Programs
CCDF Expenditure	\$341,287,929	60,700	4,800
Transfer from TANF	\$56,720,282 (17.1%)	–	–
Head Start Allocation	\$214,816,237	25,379	89
Head Start		20,265	51
Early Head Start		5,114	38
IDEA Part C, Allocation (infant/toddler)	\$13,173,409	19,693	–
IDEA Part B, Section 619 Allocation (3–5 years)	\$10,994,737	19,211	–
Preschool Development Grant	\$0	–	–
CCAMPIS FY17 Grants	\$0	–	–
Promise Neighborhoods FY16	\$0	–	–
Striving Readers Comprehensive Literacy	\$0	–	–
Additional ECE Funding Streams	FY 2016 Funding	Numbers Served	
TANF Child Care Expenditure (Direct)	\$123,032,741	Not Reported	
TANF Pre-K / Head Start Expenditure	\$109,637,880	Not Reported	
CACFP Allocation	\$93,280,479	125,066	–
Race to the Top, Early Learning Challenge	\$69,991,121	–	–
Early Head Start-Child Care Partnership	\$20,100,000	Not Reported	

BPC Reviewed

BPC reviewed the following federally-funded programs to assess the efficiency and integration of North Carolina's early care and education system.

- Child Care and Development Fund (CCDF)
- Head Start
- Child Care Access Means Parents in School (CCAMPIS)
- Early Intervention Program for Infants and Toddlers with Disabilities (IDEA Part C)
- Preschool Development Grants (PDG)
- Preschool Grants for Children with Disabilities (IDEA Part B, Section 619)
- Promise Neighborhoods
- Striving Readers Comprehensive Literacy
- Child and Adult Care Food Program (CACFP)
- Temporary Assistance for Needy Families (TANF)
- Early Head Start - Child Care Partnership (EHS-CCP)
- Race to the Top, Early Learning Challenge

Number of Children Under Age 6



Median Family Income



Understanding and Aligning Eligibility Across Programs

Eligibility Requirements Set by State

Child Care And Development Fund

Children through age 12 are eligible and care continues past 13th birthday if the child turns 13 during the eligibility period; children with mental and physical disabilities, under court ordered supervision, and in protective services are eligible through age 17. No minimum required parental work hours, but hours of employment will determine the plan of care. Training, education (high school, GED classes, postsecondary education), job searching, and working are approved activities for eligibility. ESL classes are not approved. For initial and continuing eligibility a family of two must earn no more than \$1,800 for a school age child and \$2,707 for a preschool child. A family of four must earn no more than \$2,727 for a school age child and \$4,100 for a preschool child, respectively.

CCDF Allocation	2017	2018
State	\$463,951,788	\$63,592,487
Federal	\$218,677,078	\$293,624,017

State Pre-K (FY17)

4-year-olds at or below 75 percent of state median income are eligible for the state's Pre-K program.

Total State Spending on Pre-K: \$143,419,198

Local Match: Yes

Total State Head Start Spending: \$0

Total FY 2017 Enrollment: 27,019

IDEA Part C (infant/toddler)

Children age birth to three with 2.0 standard deviation developmental delay in at least one of five developmental areas, 1.5 standard deviation developmental delay in two or more areas, developmental delay condition or other relevant condition diagnosed by a professional, or those at-risk of developmental delay are eligible.

Eligibility Requirements Set Federally

CACFP

Public or private nonprofit child care institutions which are licensed or approved may participate. For profit centers must receive title XX funds for at least 25 percent of enrolled children or licensed capacity or at least 25 percent of the children in care must be eligible for free and reduced price meals. A family or group day care home must sign an agreement with a sponsoring organization to participate and must be licensed or approved.

Head Start

Children birth to age five living in poverty are generally eligible. Children with disabilities, children whose families receive TANF or SSI, children whose families are homeless, or children who are in foster care are categorically eligible.

IDEA Part B, Section 619 (3-5 years)

Children three to five years, who have any of the qualifying IDEA Part B overall conditions (Developmental Delay, Deaf-Blindness, Emotional Disturbance, Hearing Impairment, Mental Retardation, Multiple Disabilities, Orthopedic Impairment, Other Health Impairment, Specific Learning Disabilities, Speech and Language Impairment, Visual Impairment, Autism and Traumatic Brain Injury) are eligible.

Preparing our children for future success should be an American issue, not a partisan issue. BPC is working to bring together voices from both parties to empower and support children and working families.



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