In 2018, the Bipartisan Policy Center examined how states oversee federal and state funding dedicated to early childhood education, or ECE, programs. Now in 2021, we revisit each state system to understand enacted improvements and emerging challenges in state governance.

As the country adjusts to a new reality of work and home life amid the pandemic, American families are faced with the challenge of finding and affording quality child care, now more than ever. Early learning operates within a fragile business model, in which services cost more than most families can afford to pay. For this reason, states must administer funding with efficiency and effectiveness to ensure families are able to access programs and to maximize the reach of federal and state investments.

States are now responsible to distributing recent COVID-19 relief funding for child care—allocated through three successive relief packages by Congress in 2020—in addition to established funding streams that support multiple early childhood programs. The relief packages are intended to stabilize the fragile system that challenged access to affordable, reliable care. State governments are tasked with coordinating and combining the many different ECE funding streams allocated to them.

For all but one federal program, governors have wide discretion with regard to the administration and coordination of early childhood funding. The Bipartisan Policy Center set out to re-examine the issues of state governance, coordination, and integration by reviewing how states are meeting requirements set by federal statutes and agencies, as well as how states are capitalizing on the opportunity to create efficiency through their governance structures.

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

More state data, including funding levels and demographic information, can be found at https://bipartisanpolicy.org/report/national-child-care/.

NC Score: 48
Average score: 38.6

#13 North Carolina

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

In 2018, the Bipartisan Policy Center examined how states oversee federal and state funding dedicated to early childhood education, or ECE, programs. Now in 2021, we revisit each state system to understand enacted improvements and emerging challenges in state governance.

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STRENGTHS OF NORTH CAROLINA’S EARLY CARE AND EDUCATION SYSTEM

- North Carolina administers five programs - Child and Adult Care Food Program (CACFP); Child Care and Development Fund (CCDF); Temporary Assistance for Needy Families (TANF); IDEA Part C; and state Pre-K - under one agency, which improves efficiency and cost-effectiveness of monitoring and oversight.

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

North Carolina Office of the Governor

Department of Health and Human Services
- Office of Head Start
- Office of Child Care
  - CCDF
  - TANF
- Office of Family Assistance
  - TANF

Department of Agriculture
- Office of Special Education and Rehabilitative Services
  - Part B, Section 619
  - Part C

Department of Education
- Office of the Governor
- Office of Postsecondary Education
  - CCAMPIS

Department of Health and Human Services
- Division of Child Development and Early Education - Child Care Licensing, Subsidy and Quality Rating Improvement System
  - CCDF
  - TANF Transfer to Child Care
- Division of Social Services, Work First Cash Assistance
  - TANF

Division of Child and Family Wellbeing

Superintendent of Public Instruction
- Department of Public Instruction, Office of Early Learning
  - Head Start Collaboration Office
  - Part B, Section 619

Women's and Children's Health Section, Early Intervention Branch
- Part C

Nutrition Services Branch
- CACFP

Quality Rating Improvement System (QRIS)
The QRIS has five levels with higher levels indicating higher levels of quality. The QRIS is statewide and licensing is the first level of the system. Providers are required to attain Level 3 in order to be able to accept subsidy payments.

Early Childhood Advisory Council (SAC)
The Early Childhood Advisory Council is housed within the University of North Carolina. It is tasked with creating an action plan that aligns efforts to advance the state's early childhood system; building awareness of the importance of high-quality early childhood experiences; and advocating for policies and funding that improve equitable access to early childhood services.

Local Institutions
- Early Head Start-Child Care Partnership
  - Grants to local organizations

Local Head Start Programs
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 Grant Birth through Five (PDG B-5)
- 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