

JOINT LEGISLATIVE OVERSIGHT COMMITTEE
ON HEALTH AND HUMAN SERVICES

NC Department of Health and Human Services

Child Development and Early Education

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Modernizing the NC Child Care Quality Rating Improvement System

- **The Quality Rating Improvement System (QRIS) is North Carolina's star rating system for early childhood education facilities.**
- **Families may use the star rating to make informed decisions about choosing a child care facility.**
- **North Carolina led the nation when it launched its Quality Rating Improvement System in 1999.**
- **Encourages continuous quality improvement**

QRIS Modernization – Community Outreach

- **Led by NC Child Care Commission QRIS Sub-Committee**
- **11-month outreach effort**
- **Heard from 1800+ people via:**
 - **8 in-person listening sessions in all regions of the state**
 - **2 online listening sessions.**
 - **An online survey.**
 - **Specially designated email account.**
 - **Focus groups representing child care centers, family child care homes, Head Start, child care providers, before/afterschool and families.**
- **In addition, the Sub-Committee reviewed national research, trends and outcomes regarding QRIS standards to inform their decision-making.**

QRIS Modernization – The Plan

- **A choice of three Pathways to demonstrate quality**
- **Simplify the points-based option**
- **Update education standards for early childhood to expand credential options**
- **Additional standards for**
 - **continuous quality improvement for both educators and facilities**
 - **family/community engagement practices that promote communication and collaboration**

Modernizing the Quality Rating Improvement System

	Pathway 1: Program Assessment	Pathway 2: Classroom & Instructional Quality	Pathway 3: Accreditation & Head Start	
2-Star			NAFCC NECPA AMS IMC	NAEYC NAC COGNIA Head Start
3-Star				
4-Star	Updated Education Standards	Updated Education Standards	Plus Updated 4-Star Education Standards	
5-Star			Plus Updated 5-Star Education Standards	

QRIS Next Steps

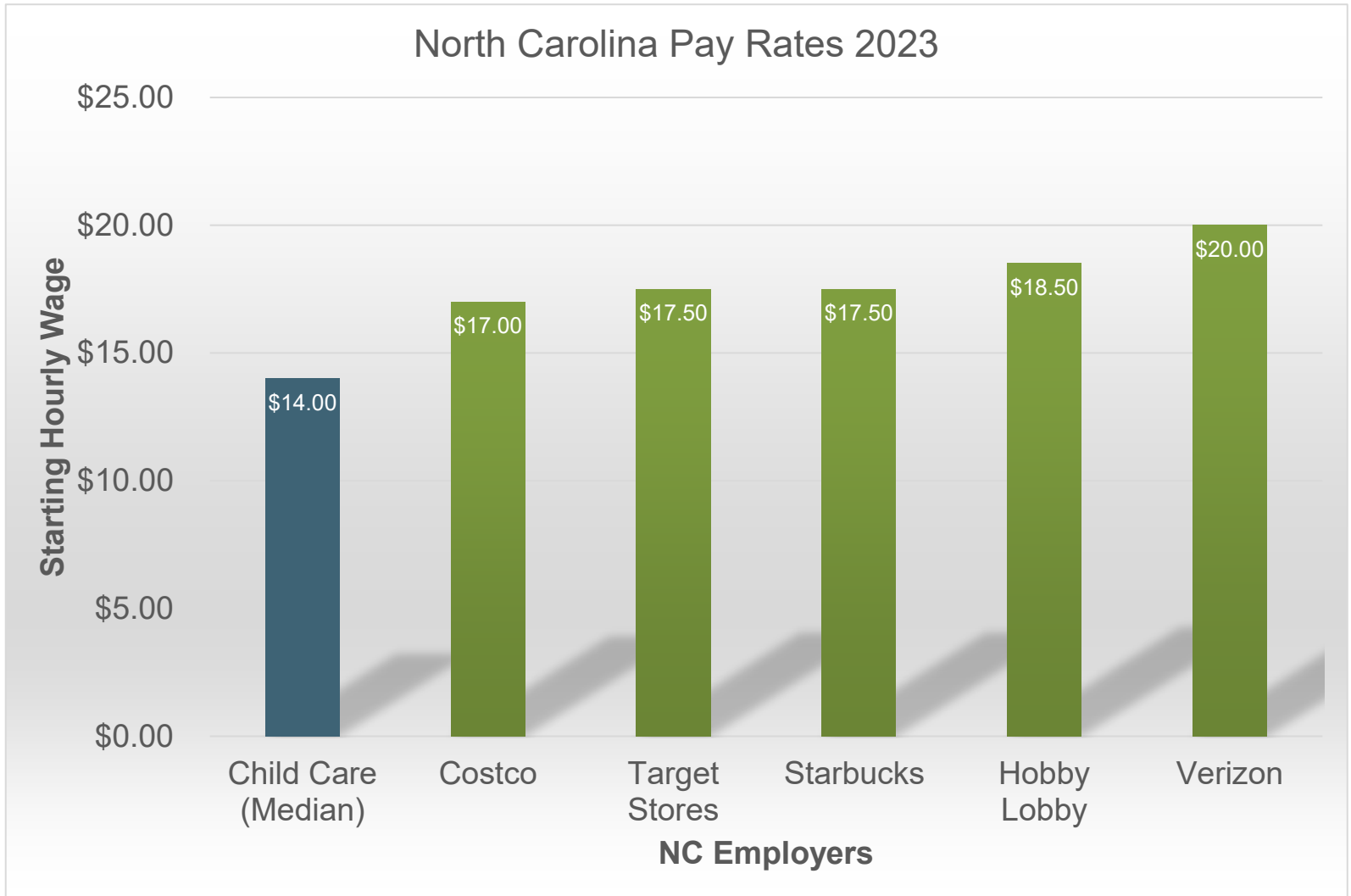
- **NC Child Care Commission working on rules**
- **NCDHHS draft legislation**
 - Establishes the framework for three pathways to a star rating, and immediately implements new accreditation pathway
 - Directs the Commission to adopt, amend, and repeal all rules necessary for the implementation of the framework.
 - Extends the facility hold harmless and the education requirement hold harmless until new rules are adopted.

The Child Care Crisis – Demand > Supply

- **Emergency funds run out June 2024**
- **Net loss of 53 sites June-December 2023***
- **NAEYC survey** of NC child care programs finds:**
 - 40% have raised tuition
 - 60% are experiencing a staffing shortage
 - 55% are under-enrolled due to lack of staff

SOURCE: *DCDEE. **National Association for the Education of Young Children (2024). Early Childhood Educators and Families Face Rising Challenges as Relief Funds Expire - North Carolina. https://www.naeyc.org/sites/default/files/globally-shared/downloads/PDFs/our-work/public-policy-advocacy/north_carolina_2024_feb_statebystate.pdf

Child Care Wages Lag Behind



The Need to Increase the Subsidy Rate Floor

- **Subsidy serves 51,000 children statewide (8-15% of eligible children)**
- **Reimburses just 30–50% of the cost of classroom slot**
- **Child care subsidy is based on what local families can afford to pay**
 - This is not cost of services
 - Falsely suppresses market rates
- **Rural counties are disproportionately impacted**

Current NC Pre-K Rates in Contrast

NC Pre-K is funded at 48% of what it costs to run a Pre-K slot.

Program per child	10-month (school year) Per-child Rate
Total cost of NC Pre-K	\$11,330
Current NC Pre-K Total average funding	\$5450
Public Schools	\$10,791

NC Pre-K is funded at 50% of the average public-school rate.

Sustaining the Child Care System

- **QRIS Modernization**
 - Child Care Commission Report
 - Proposed Legislation
- **Stabilization Grants**
- **Child Care Subsidy Rate Floor**
- **NC Pre-K**
- **Workplace Pipeline Innovations (see appendix)**

Appendix

Workforce Pipeline Strategies

- **NC Early Education Equivalency Exam**
- **Credit for Prior Learning**
- **Workforce Certificate**
- **Child Development Associate (CDA) Credential**
- **Pathway Options for High School Students**
- **Building Bright Futures**
- **Degree Considerations for Workforce Education and NC PreK**
- **New Continuing Education Class
EDU 3119**

Total NC ECE Stabilization Grants Payment – \$1.01 Billion

	Child Care Centers	Family Child Care Homes	Total
# of Approved Programs Paid	3,312	1,228	4,540
Total Compensation Support Grants Payments	\$431M	\$21M	\$452M
Total Fixed Costs and Families Grants Payments	\$519M	\$39M	\$558M
Total Payments	\$950M	\$60M	\$1.01B

As of January 30, 2024. Source: Division of Child Development and Early Education.