

STATE OF NORTH CAROLINA  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

JOSH STEIN  
GOVERNOR

DEV DUTTA SANGVAI  
SECRETARY

January 31, 2025

**SENT VIA ELECTRONIC MAIL**

The Honorable Carla Cunningham, Chair  
Joint Legislative Oversight Committee on  
Health and Human Services  
North Carolina General Assembly  
Room 403, Legislative Office Building  
Raleigh, NC 27603

The Honorable Donny Lambeth, Chair  
Joint Legislative Oversight Committee on  
Health and Human Services  
North Carolina General Assembly  
Room 303, Legislative Office Building  
Raleigh, NC 27603

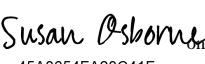
The Honorable Larry Potts, Chair  
Joint Legislative Oversight Committee on  
Health and Human Services  
North Carolina General Assembly  
Room 307B1, Legislative Office Building  
Raleigh, NC 27603

Dear Chairmen:

Session Law 2023-134, Section 9D.8 requires the Department of Health and Human Services' Division of Child Development and Early Education to submit a report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on the number of child care programs created through the In-Home Child Care Pilot Program, by county, and any other information the Division deems relevant. Pursuant to the provisions of law, the Department is pleased to submit the attached report.

Should you have any questions regarding this report, please contact Karen Wade, Director of Policy, at [Karen.Wade@dhhs.nc.gov](mailto:Karen.Wade@dhhs.nc.gov).

Sincerely,

DocuSigned by:  
  
on behalf of Devdutta Sangvai  
45A8654FA28C41F...  
Devdutta Sangvai  
Secretary



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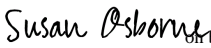
Mr. Brian Matteson, Director  
Fiscal Research Division  
Suite 619, Legislative Office Building  
Raleigh, NC 27603-5925

Dear Director Matteson:

Session Law 2023-134, Section 9D.8 requires the Department of Health and Human Services' Division of Child Development and Early Education to submit a report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on the number of child care programs created through the In-Home Child Care Pilot Program, by county, and any other information the Division deems relevant. Pursuant to the provisions of law, the Department is pleased to submit the attached report.

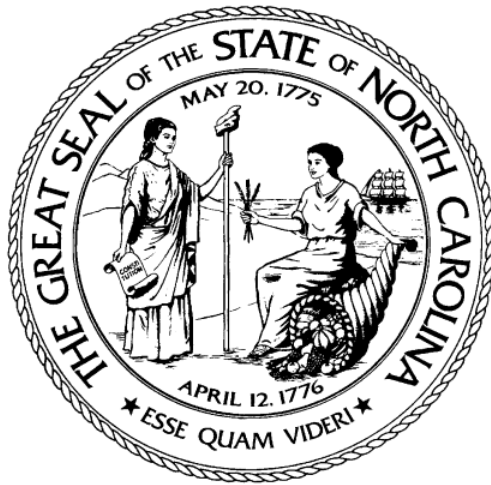
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on behalf of Devdutta Sangvai  
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Devdutta Sangvai  
Secretary

**Increase Provision of In-Home Child Care  
/Pilot Program**

**Session Law 2023-134, Section 9D.8**



**Joint Legislative Oversight Committee on Health  
and Human Services**

**By  
North Carolina Department of Health and  
Human Services**

**January 31, 2025**

## Background

SECTION 9D.8 of Session Law 2023-134, specified “Of the funds appropriated in this act from the General Fund to the Department of Health and Human Services, Division of Child Development and Early Education (Division), the sum of five hundred twenty-five thousand dollars (\$525,000) in nonrecurring funds for each year of the 2023-2025 fiscal biennium shall be used to establish a pilot program that provides business and financial assistance in creating new in-home child care programs and sustaining existing in-home child care programs in this state. By January 15, 2024, the Division shall issue a request for application (RFA) for an organization to contract with the Division to administer the pilot program. The Division shall submit a report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division of the General Assembly by January 31, 2025, on the number of child care programs created through the pilot program, by county, and any other information the Division deems relevant.”

Southwestern Child Development Commission (SWCDC), a NC Child Care Resource & Referral Council Management Agency, was selected to lead this work through the RFA process, with evaluation support provided by Duke University’s Center for Child and Family Policy (CCFP).

## Reporting Requirements

### **(1) The number of child care programs created through the In-Home Child Care Pilot Program, by county:**

As of December 31, 2024\*, 9 new family child care home (FCCH) providers had obtained a temporary license, and 10 additional FCCH providers were in the pre-licensing process, shown by county below:

<b>Counties of Residence for FCCH Providers</b>	<b>Number of New FCCH Providers with Temporary License</b>	<b>Number of New FCCH Providers in Prelicensing Process</b>
Cabarrus		1
Cumberland	1	1
Guilford		2
Henderson		1
Lee		1
Moore	1	
Northhampton	1	
Onslow	1	
Pender	1	
Person	1	
Pitt	1	
Robeson		1
Rowan	1	

Wake	1	2
<b>Totals</b>	<b>9</b>	<b>10</b>

\*Funds supporting this pilot are continuing to be expended and a final report of number of new child care programs created through June 30, 2025 will be provided to the Division.

**(2) Additional information the Division deems relevant:**

A performance monitoring and evaluation plan outlined in the table below has been implemented to include tracking of key program activities and expected outcomes, surveying of FCCH providers, and timely reporting of findings to create a continuous quality enhancement process.

<b>Expected Outcomes</b>	<b>Metrics</b>	<b>Data Sources</b>
<b>Increased family child care quality</b>	# of new FCCH providers receiving TA/Training/Education aimed at improving quality	-Pre/post survey of providers -Program data from Regional Consultants
<b>Increased provider knowledge re: business practices, etc.</b>	# of new FCCH providers receiving TA/Training/Education aimed at increasing knowledge of business practices, etc.	-Pre/post survey of providers -Program data from Regional Consultants
<b>Increased access to high-quality child care</b>	# of new FCCH start-ups and slots created by age and type	-Pre/post survey of providers
<b>Increased access to infant and toddler child care</b>	# of new FCCH start-ups serving infants and toddlers and slots created	-Pre/post survey of providers
<b>Increased access to child care for non-English speaking families</b>	# of new FCCH start-ups who can serve non-English speaking families/children	-Pre/post survey of providers

Initial assessment of the program and survey data through December 31, 2024 suggests the program has been successful in moving toward key goals. Regional Family Child Care Consultants assigned to provide technical assistance, education, and training to potential and actual pilot program applicants concerning business practices and quality enhancements have provided a total of 158 technical assistance sessions to 23 individuals. Of 31 engaged FCCH pilot program applicants, 21 have completed the program application process, 3 have withdrawn from the program and no longer plan to become licensed FCCHs (1 of which withdrew due to complications after Hurricane

Helene), and 7 are still being contacted by Regional Consultants to assess continued interest and assist with completing program application materials.

The baseline provider survey developed to accompany the application materials required to apply for a FCCH start-up grant and to be re-administered at the end of the grant assesses several key areas: 1) provider demographics and languages spoken, 2) estimated and actual start-up costs, new child care slots available (by age and subsidy), 4) licensure status, 5) Star Rating, and 6) the supports, resources and professional development opportunities needed, utilized, and valued by providers. A summary of baseline provider survey results follows.

27 of the 31 providers who had contact with Regional Consultants completed the baseline survey. The geographic distribution of those providers represented 19 counties across the state, including counties within the western (3), central (13), and eastern (3) regions of North Carolina. The racial/ethnic representation of respondents was 68% African American/Black, 11% Hispanic, and 11% White. 11% of those surveyed were Spanish-speaking and 71% were under the age of 50. 26 of the 27 providers reported financial investments in their businesses to date ranging from \$1,000 to \$5,000. Providers included a total of 201 current or planned child care slots: 65 for infants, 97 for toddlers/preschoolers, and 39 for school-aged children. 25 of the 27 providers either currently serve or plan to serve children receiving child care subsidies. 22 of the 27 providers have also received technical assistance supports related to business practices used in opening, operating, and managing a FCCH and nearly all (21 of 22 who received technical assistance related to business practices) rated those supports as “very useful” or “extremely useful”. Fewer reported having received supports related to quality enhancements, which is expected given that these providers are very newly established. While just over half (14 of 27 providers) reported receiving supports around quality improvement, this number is expected to increase by the end of the grant.