

FISCAL FACTS

The 101 on child-care needs that North Carolina should be funding during the pandemic



What N.C. needs right now

- 14,000** low-income families are on the waitlist for child-care subsidies.¹
- 25,000** early child-care providers need bonus pay.¹
- 3,800** child-care programs need operating grants.¹

What it takes to fund these N.C. needs

- \$84 million** would be the annual cost of providing all parents on the waitlist with subsidies¹
- \$240 million** would be the annual cost of providing early child-care providers with bonus pay¹
- \$204 million** would be the annual cost of supporting child-care programs with operating grants¹

What N.C. is actually spending

- \$68 million** is the total amount that N.C.'s COVID-19 relief bills allocated from the state's Coronavirus Relief Fund to support child-care* 2-4
- \$118.1 million** in CCDBG funds from the federal CARES Act to support child care in N.C.

*Assumes that \$5 million of the \$39 million allocated to the N.C. Department of Health and Human Services in HB 1043 and HB 1105 went to child care, which is likely an overestimate.

North Carolina currently has **\$1,471,100,000** in unreserved funds that could be used to meet the persistent needs of families and communities. If North Carolina were to undo tax cuts for the wealthy, we could be bringing in more than **\$3 billion in additional revenue each year**. By failing to tax everyone equitably, North Carolina does not bring in the revenue it needs to fully fund all of the programs and services people need to thrive.



FISCAL FACTS

The 101 on child-care needs that North Carolina should be funding during the pandemic



Link to relief bills

Other than the CCDBG funds in HB 1043, all these appropriations use funds from the state Coronavirus Relief Fund (CRF.) The CRF is funded through the federal CARES Act and can only be used to pay for new expenses as a result of COVID-19.

HB 1043 / [2020 COVID-19 Recovery Act](#)

SL 2020-4

- \$118.1 million in Child Care and Development Block Grant funds from the federal CARES Act to the N.C. Division of Child Development and Early Education (NCDCEE)
- \$19 million to the NC Department of Health and Human Services (NCDHHS) for a wide variety of uses, including child-care response

SB 808 / [Medicaid Funding Act](#)

SL 2020-88

- \$20 million to NCDCEE for child-care response

HB 1105 / [Coronavirus Relief Act 3.0](#)

SL 2020-97

- \$35 million to NCDCEE for operating grants to child-care programs
- \$8 million to NCDCEE for assistance payments to parents for remote learning
- \$20 million to NCDHHS for a wide variety of uses, including child-care response

More resources

- 1 Special data requests to the NC Division of Child Development and Early Education from the NC Early Education Coalition. Numbers and expenditures for providers are based on aid provided during summer 2020, and are therefore a conservative estimate since more child-care providers have since reopened.
- 2 <https://www.ncleg.gov/Sessions/2019/Bills/House/PDF/H1043v7.pdf>
- 3 <https://www.ncleg.gov/Sessions/2019/Bills/Senate/PDF/S808v8.pdf>
- 4 <https://www.ncleg.gov/Sessions/2019/Bills/House/PDF/H1105v7.pdf>

For more information about this fact sheet or other budget topics, please contact Logan Harris at logan@ncjustice.org or Alexandra Sirota at alexandra@ncjustice.org.



For more information about this and other budget topics in a COVID-19 context, visit [NCJustice.org/statebudget](https://www.ncjustice.org/statebudget)