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Building Resilience and Promoting Well-Being: An Updated Action Plan for North Carolina's Children and Families



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**
Division of Public Health





North Carolina Institute of Medicine

The North Carolina Institute of Medicine (NCIOM) is a nonpartisan source of analysis and advice on important health issues facing the state. The NCIOM convenes stakeholders and other interested people from across the state to study these complex issues and develop workable solutions to improve health care in North Carolina.

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The update committee was co-chaired by Sharon Hirsch, BA, President and CEO of Positive Childhood Alliance North Carolina and Meredith Archie, BA, President of the NC Chamber Foundation. Their expertise, guidance, and insight were instrumental to the success of the update committee.

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Any opinion, finding, conclusion, or recommendations expressed in this publication are those of an update committee consensus and do not necessarily reflect the views and policies of the project funders, individuals of the update committee, or the organizations they represent. The North Carolina Institute of Medicine recognizes the broad range of perspectives, priorities, and goals of the individuals and organizations who have contributed to the process and report of the update committee; while we strive to reach and reflect consensus, participation in the Task Force does not indicate full endorsement of all final recommendations.

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X = RESPONSIBLE PARTY O = PARTNER

	NCDHHS and Divisions	Working Group	UNC School of Social Work	Philanthropy	Early Childhood Organizations and Advocates	Institute for Emerging Issues	Task Force on Financial Stability	NC Budget & Tax Center	Community Partners	NCGA	Health Care Providers and Trade Associations	UNC Sheps
RECOMMENDATION 1: Establish a working group to promote the incorporation of PCEs throughout state and local initiatives and identify gaps requiring additional investment.	X											
Strategy 1: Assess existing organizations that promote PCEs.		X										
Strategy 2: Prioritize the promotion of PCEs in current initiatives	X				X							
Strategy 3: Identify appropriate metrics for evaluating initiatives' impact on positive childhood experiences.	X				X							
Strategy 4: Identify methods for philanthropic support.		X										
RECOMMENDATION 2: Identify specific methods and measures to collect and share data on social norms related to economic supports for families.			X									
Strategy 1: Collect robust data on social norms related to economic supports and evaluate programs and policies that provide economic supports to families.			X									
Strategy 2: Disseminate data to help programs across the state to reduce barriers and improve program participation.			X									
Strategy 3: Provide the necessary funding to initiate these activities.				X								
RECOMMENDATION 3: Continue the development and expansion of public awareness campaigns that focus on the role of economic supports in promoting PCEs, preventing ACEs, and fostering financial stability.					X							
Strategy 1: Highlight the direct impact of financial stability on child and family well-being.					X							
Strategy 2: Communicate the importance of financial supports and incorporate or expand the importance of financial supports into existing programs.	O			X	O							
RECOMMENDATION 4: Establish a cross-sector task force to examine the factors affecting financial stability for families in North Carolina.						X						
Strategy 1: The task force should include specific organizations and should identify strategies to improve financial resilience.							X					
Strategy 2: Use existing research to create a strategy that identifies barriers and solutions to increasing access in areas like employment, lending, and housing.							X					
Strategy 3: Provide funding for task force as well as sustainable funding for select strategies identified through the task force's work.				X								
RECOMMENDATION 5: Conduct an economic analysis of the impact of policies and identify disparities in how policies affect different income levels, family structures, and historically marginalized populations.								X				
Strategy 1: Ensure disaggregated data related to child and family outcomes by race and ethnicity, as well as by county and rural/urban status, when possible.								X				
Strategy 2: Include a detailed analysis of the benefits of CTC and EITC in North Carolina.								X				
RECOMMENDATION 6: Convene leaders and employers across sectors to identify specific actions toward establishing concrete family-friendly workplace policies.	X				X							
Strategy 1: Provide additional resources to Family Forward NC's work with employers to develop family-friendly workplace policies, their importance, and enhance access to these policies.				X					X			
Strategy 2: Promote family-friendly environments in schools through flexible policies and expanded support services	X								X			
Strategy 3: Ensure that current collaborations with workforce organizations incorporate family friendly workplace policies into the overall workforce development discussions and strategies.											X	
RECOMMENDATION 7: Enhance child care subsidies to ensure a larger portion of eligible families receive subsidy payments.										X		
Strategy 1: Estimate the necessary investment and encourage public investment in child care.								X				
Strategy 2: Develop and implement additional and sustainable initiatives to increase the availability of child care programs in underserved areas.					X							
RECOMMENDATION 8: Child care workforce salaries should be increased and prioritized by using targeted investments to attract and retain skilled workers critical to delivering care.												
Strategy 1: Create targeted financial incentives to attract and retain skilled child care workers.										X		

ACRONYMS

ACE – Adverse childhood experience

ARPA – American Rescue Plan Act

CCHC – Child Care Health Consultants

CCNC – Community Care of North Carolina

CCR&R – Child Care Resource and Referral Network

CDC – Centers for Disease Control and Prevention

CPS – Child Protective Services

CTC – Child Tax Credit

DCDEE – Division of Child Development and Early Education

DCFW – Division of Child and Family Well-Being

DHB – Division of Health Benefits

DPH – Division of Public Health

DPI – Department of Public instruction

DSS – Division of Social Services

EITC – Earned Income Tax Credit

EPSDT – Early and Periodic Screening, Diagnostic, and Treatment

HBCUs – Historically Black Colleges and Universities

HOP – Healthy Opportunities Pilots

IECMH – Infant and early childhood mental health

NCGA – North Carolina General Assembly

NCDHHS – North Carolina Department of Health and Human Services

NCECF – North Carolina Early Childhood Foundation

NCIOM – North Carolina Institute of Medicine

NCPAL – North Carolina Psychiatry Access Line

NCPC/SMART START – North Carolina Partnership for Children

PCANC – Positive Childhood Alliance North Carolina

PCE – Positive childhood experience

PFML – Paid family and medical leave

SAMHSA – Substance Abuse and Mental Health Services Agency

SBHCs – School-based health centers

SDOH – Social drivers of health

THE IMPACT OF CHILD MALTREATMENT IN NORTH CAROLINA

Child maltreatment is a critical public health and policy issue that affects thousands of children and families across North Carolina each year, with long-term consequences for health, well-being, and economic stability. North Carolina spends more than \$4,000 a minute on the downstream consequences of child maltreatment.¹ These downstream consequences include a cascade of effects, such as negative impacts on physical health, mental health, and behavioral outcomes.²

Addressing this issue requires a comprehensive, evidence-based approach that prioritizes prevention, early intervention, and systemic reform. The Essentials for Childhood Update Committee examined the role of economic and social supports in reducing risk factors, the impact of changing social norms, mental and behavioral health, and the importance of turning data into action. This report summarizes recommendations across these areas and addresses the vital role of cross-sector collaboration in strengthening protective factors. By leveraging data-driven strategies, policy innovations, and community partnerships, North Carolina has the opportunity to prevent adverse childhood experiences (ACEs), promote positive childhood experiences (PCEs), and create sustainable solutions that improve outcomes for children and families statewide.

ESSENTIALS FOR CHILDHOOD

The Centers for Disease Control and Prevention (CDC) has funded the Essentials for Childhood initiative since 2013. This initiative, focused on preventing adverse childhood experiences (ACEs) and promoting positive childhood experiences (PCEs), aims to ensure a strong start for children, reducing the likelihood of child abuse and neglect, health risk behaviors, and mental health challenges.³ In 2023, as a part of the Essentials for Childhood initiative, the CDC chose the North Carolina Department of Health and Human Services (NCDHHS) Division of Public Health (DPH) and 11 other nationwide recipients to receive funding to implement the Essentials for Childhood framework.

NCIOM UPDATE COMMITTEE

In 2014, the North Carolina Institute of Medicine convened a statewide task force on Essentials for Childhood. In collaboration with NCDHHS DPH, the task force issued a series of recommendations to inform the development of an evidence-based state action plan for reducing child maltreatment.

With the clear need to revisit recommendations from this task force, the NCIOM, in collaboration with NCDHHS DPH, convened an update committee in summer–fall 2024. The update committee discussed the prevention of ACEs and the importance of the inclusion of PCEs in framing policy solutions that support child and family well-being. The committee assessed progress on priority recommendations from the 2014 task force, examined data trends, and identified opportunities for cross-sector collaboration to enhance positive outcomes for children and families in North Carolina.

The update committee was co-chaired by Sharon Hirsch, BA, President and CEO of Positive Childhood Alliance North Carolina, and Meredith Archie, BA, President of the NC Chamber Foundation. They helped guide 7 steering committee members and over 30 update committee members through facilitated discussions that led to the revision and creation of the recommendations in this report. In addition, NCIOM and DPH staff conducted many individual interviews and consulted a parent advisory group to reflect on drafted recommendations.

Chapter 1 offers an overview of the creation process for this report, background context on ACEs, and a look into how ACEs and PCEs are affecting children and families in North Carolina. Recommendations from the update committee are described in chapters 2–6 of this report.

SOCIAL NORMS

Recommendations in Chapter 2 focus on social norms, which are the shared beliefs, values, and expectations within a community. This chapter highlights the ways in which promoting positive community norms around parenting programs and behaviors encourages practices that prevent child maltreatment.

RECOMMENDATION #1

Promote the incorporation of PCEs throughout state and local initiatives, maximize the impact of existing supports, and identify additional resources needed.

Strategy 1: Assess existing organizations that promote PCEs, identify gaps where trauma-informed practices are underutilized, and identify where additional state, local, and philanthropic investment is needed.

Strategy 2: Prioritize the promotion of positive childhood experiences in current initiatives.

Strategy 3: Identify appropriate metrics for evaluating initiatives' impact on positive childhood experiences.

Strategy 4: Identify methods for philanthropic support, which will provide for expanded parenting programs.

RECOMMENDATION #2

Identify methods to collect and share data on social norms related to economic supports for families and prioritize targeted data collection that can inform strategies to enhance financial stability and economic mobility.

Strategy 1: Include indicators of how family perceptions of economic assistance influence parent engagement with existing programs and use that data to reduce barriers.

Strategy 2: Provide funds for capacity-building.

EXECUTIVE SUMMARY

RECOMMENDATION #3

Continue the development and expansion of public awareness campaigns that focus on the role of economic supports.

Strategy 1: Highlight the direct impact of financial stability on child and family well-being.

Strategy 2: Communicate the importance of financial supports.

ECONOMIC MOBILITY AND FINANCIAL STABILITY

Recommendations in Chapter 3 highlight families' access to financial resources they need to thrive. An increasing number of studies show the value of economic and concrete supports in stabilizing families and reducing child maltreatment.

RECOMMENDATION #4

A cross-sector task force should examine factors affecting financial stability for families.

Strategy 1: Identify strategies to improve financial resilience.

Strategy 2: Use existing research to identify barriers and solutions to increase access to employment, lending, and housing.

Strategy 3: Provide funding for this task force.

RECOMMENDATION #5

Conduct an economic analysis of the impact of policies such as the Child Tax Credit, Earned Income Tax Credit, and paid leave.

Strategy 1: Ensure disaggregated data when possible.

Strategy 2: Include a detailed analysis of the benefits of the Child Tax Credit and Earned Income Tax Credit, and provide a comparison to other states.

RECOMMENDATION #6

Convene leaders and employers across sectors to identify actions towards establishing family-friendly workplace policies.

Strategy 1: Provide additional resources to develop family-friendly workplace policies and improve awareness of these policies' importance.

Strategy 2: Promote family-friendly environments in schools.

a) Implement family-friendly workplace policies.

b) Explore other sources to improve employee wellness.

Strategy 3: Ensure that current collaborations with workforce organizations incorporate family-friendly policies into overall workforce development discussions.

CHILD CARE

Recommendations in Chapter 4 focus on child care and the importance of accessible, high-quality, affordable child care for parents. There is also a child care crisis in North Carolina, with a dearth of providers due to various factors, including compensation. Additionally, child care issues often impact parents' participation in the workforce.

RECOMMENDATION #7

Enhance child care subsidies to ensure a larger portion of eligible families receive subsidy payments.

Strategy 1: Conduct an analysis to estimate the necessary investment.

Strategy 2: Develop and implement initiatives to increase the availability of child care programs in underserved areas.

RECOMMENDATION #8

Child care workforce salaries should be increased and prioritized.

Strategy 1: Create targeted financial incentives to attract and retain skilled child care workers.

Strategy 2: Support ongoing professional, credentialing, and career advancement opportunities for child care workers.

RECOMMENDATION #9

Enhance opportunities for cross-sector collaboration to improve quality of care.

Strategy 1: Prioritize alignment to ensure cross-collaboration.

Strategy 2: Ensure that perspectives and experiences of diverse parenting roles are represented in policies, program design, and services.

Strategy 3: Provide expanded resources to work within child care centers and early childhood programs to offer screenings.

Strategy 4: Ensure the inclusion of parent and child care worker perspectives and experiences when defining quality of care.

RECOMMENDATION #11

Establish guidelines for primary care clinicians to expand screening for social and emotional risk factors.

Strategy 1: Collaborate to support ongoing efforts to increase integrated primary, mental, and behavioral health care under Medicaid reform.

Strategy 2: Continue and expand training opportunities for pediatric primary care providers to identify and address mental and behavioral health needs in children.

Strategy 3: Endorse guidelines for primary care clinicians for expanded screening of families with children for psychosocial risk factors and family protective factors.

Strategy 4: Prioritize mental and behavioral health workforce development by increasing training programs, scholarships, and incentives to attract and retain professionals in the field.

- a) Invest in Historically Black Colleges and Universities to ensure that the number of mental health providers of color is increased.

Strategy 5: Sustain and expand ongoing telehealth services focused on mental and behavioral health access in rural and underserved areas.

Strategy 6: Provide additional funding to increase funding for school-based health centers as well as co-located behavioral health services.

MENTAL AND BEHAVIORAL HEALTH

The years from infancy to preschool significantly shape children's mental and behavioral health, impacting emotional development, relationships, and lifelong well-being; during this time, traumatic experiences pose risks and positive experiences foster resilience. Recommendations in Chapter 5 highlight the importance of early screenings, trauma-informed care, and integrating children's mental health into Medicaid. There is also an emphasis on reimbursement for providers, innovative care strategies, and expanding the available workforce.

RECOMMENDATION #10

Create a strategy to integrate infant and children's mental health into the Medicaid services and initiatives centered around social drivers of health.

Strategy 1: Require integration of early and periodic screening for infants and children into the Healthy Opportunities Pilots.

- a) Expand the inclusion of social and development services to existing networks.

Strategy 2: Ensure parity in payment for services provided by infant and early childhood mental health clinicians, including screenings, assessments, and family-centered interventions.

Strategy 3: Seek statewide expansion of Healthy Opportunities Pilots and opportunities through HOP to include additional services focused on family protective factors and positive childhood experiences.

DATA TO ACTION

Chapter 6 targets the use of gathering and evaluating child well-being data to inform decision-making. By systematically assessing this data, policymakers, educators, and health care professionals can make evidence-based decisions, efficiently allocate resources, and develop targeted interventions that directly address the needs of children and families. Additionally, continuous monitoring and evaluation ensures that strategies are adjusted and improved over time based on new findings and changing circumstances, amplifying the impact of data-driven initiatives.

RECOMMENDATION #12

Allocate funds to ensure the long-term sustainability of a newly-developed surveillance system.

Strategy 1: Support the creation of a new data analyst role to support regular data updates.

Strategy 2: Disseminate the information by connecting to communities and child health partners.

EXECUTIVE SUMMARY

RECOMMENDATION #13

Utilize child care workforce data to inform strategies for improving family financial stability, employee retention, and overall economic development.

Strategy 1: Leverage data from the annual child care workforce study and provide policymakers with recommendations to address workforce gaps impacting parental employment.

Strategy 2: Develop and implement outreach strategies to improve awareness of the connections between a qualified, robust child care workforce and overall economic stability for families and communities.

Strategy 3: Ensure that the workforce registry is sufficiently funded and mandatory.

RECOMMENDATION #15

Evaluate standard and tailored plans for their alignment with the goals of preventing adverse childhood experiences (ACEs), growing positive childhood experiences (PCEs), and promoting economic stability.

Strategy 1: A focused review of recent policy changes should be conducted to identify lessons learned.

a) The review should address the application of prevention-based strategies

Strategy 2: Use the results of the evaluation to identify actionable changes such as policy adjustments to more comprehensively address economic and social factors that impact family stability and child development.

Strategy 3: Provide funding for dissemination and the application of lessons learned.

MOVING FORWARD

The recommendations presented by the update committee represent necessary actions for ongoing data analysis, collaboration, and action. For these recommendations to lead to sustainable results, relevant parties across sectors must commit to ongoing partnership, resource alignment, and policy implementation that prioritizes long-term impact. By fostering a coordinated approach, North Carolina can drive meaningful improvements in child well-being and family outcomes.

RECOMMENDATION #14

Establish shared goals, coordinate resources, and leverage data to mitigate child care workforce shortages.

Strategy 1: Identify existing data, coordinating stakeholders, providing data-driven insights, and identifying successful initiatives.

Strategy 2: Collaborate to utilize child care workforce data, labor market trends, and employment surveys to monitor and track child care workforce shortages

Strategy 3: Identify methods of incentivizing child care providers to report on the child care workforce data in order to improve diversity of included providers.

Strategy 4: Leverage data analysis to identify geographic areas and populations most impacted by child care workforce shortages and develop targeted recruitment and retention strategies.

a) Prioritize efforts in underserved regions and communities disproportionately affected by shortages.

REFERENCES

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1

CHAPTER ONE

Background on Child Maltreatment



ESSENTIALS FOR CHILDHOOD

Since 2013, the Centers for Disease Control and Prevention (CDC) has implemented the Essentials for Childhood framework, a comprehensive initiative aimed at promoting safe, stable, and nurturing relationships and environments that are critical for children's healthy development. The framework provides a public health approach to preventing child abuse and neglect, focusing on fostering supportive relationships, engaging communities, and driving systems-level change. By addressing social drivers of health and economic stability, the CDC aims to reduce long-term negative health and social impacts, while creating conditions that enable all children to thrive and experience positive childhoods. The framework also targets ensuring a strong start for children, including high-quality child care and early childhood home visitation, connecting youth to caring adults and activities, promoting social norms that protect against violence and adversity, and interventions aimed at lessening immediate and long-term harms.

In 2023, as a part of the Essentials for Childhood initiative, the CDC chose the North Carolina Department of Health and Human Services (NCDHHS) Division of Public Health (DPH) and 11 other recipients^a to receive funding to implement the Essentials for Childhood framework with an expanded focus on preventing adverse childhood experiences (ACEs) and promoting positive childhood experiences (PCEs).

The Essentials for Childhood framework describes critical goals for creating and promoting safe, stable, nurturing relationships and environments, which may help to reduce the occurrence of harmful events such as child maltreatment and other adverse childhood experiences (ACEs). The 4 goals of Essentials for Childhood are:

- Raise awareness and commitment to promoting safe, stable, nurturing relationships, environments, and positive childhood experiences, and prevent child abuse and neglect.
- Use data to inform actions.
- Create the context for healthy children and families through social norms change and evidence-based programs.
- Create the context for healthy children and families through policies.

These goals will be accomplished in part through community engagement, evaluation, and cross-sector collaboration, with a focus on equity and inclusion. The framework is focused on both improving immediate outcomes and driving long-term societal change. The aim is to build healthy communities where children grow up in safe and nurturing environments, leading to a reduction in negative health and social outcomes in adulthood.

^a California Department of Public Health; Georgia Department of Public Health; Kansas Department of Health and Environment; Massachusetts Department of Public Health; Michigan Public Health Institute; Minnesota Department of Public Health; New Jersey Center for Health Care Strategies, Inc.; The Chickasaw Nation; The Research Institute at Nationwide Children's Hospital; University of Nevada - Reno; Virginia Department of Health. <https://www.cdc.gov/aces/programs/index.html>

NORTH CAROLINA ESSENTIALS FOR CHILDHOOD UPDATE COMMITTEE

The North Carolina Institute of Medicine (NCIOM), in collaboration with the NCDHHS DPH, convened a statewide task force on Essentials for Childhood in 2014. The task force issued recommendations to inform the development of a collective, evidence-based state plan for reducing child maltreatment and prioritizing services, programs, and policies for the prevention of child maltreatment.

In May 2024, in collaboration with the NCDHHS DPH, the NCIOM convened an update committee for the Essentials for Childhood initiative to revisit recommendations from the 2014-2015 task force. The update committee's goals included measuring implementation progress, making necessary revisions based on new and emerging data, and making new recommendations to fill potential gaps not identified in the 2015 task force report.

The committee discussed a variety of issues related to the prevention of ACEs and the inclusion of positive childhood experiences (PCEs), as well as the role of schools, philanthropy, parents, caregivers, and the child care workforce. Between July 2024 and October 2024, the full update committee met 5 times through Zoom meetings and 1 hybrid meeting. In addition, NCIOM and DPH staff conducted many individual interviews and consulted a parent advisory group to reflect on drafted recommendations.

The update committee was co-chaired by Sharon Hirsch, BA, President and CEO of Positive Childhood Alliance North Carolina; and Meredith Archie, BA, President of the NC Chamber Foundation. They helped guide 7 steering committee members and over 30 update committee members through facilitated discussions that led to the revision and creation of the recommendations in this report. Research Specialist Ivana Muszkiewicz, MPH, managed the initiative for NCIOM and served as lead author for this report.

BACKGROUND AND CONTEXT

Child Maltreatment and Other Adverse Childhood Experiences

The CDC defines child maltreatment as behaviors that result in harm, potential for harm, or threat of harm toward a child by a parent, caregiver, or another person in an authoritative role. There are 4 typical types of child maltreatment:¹

- **Physical**, which is the use of physical force against a child.
- **Sexual**, which involves engaging a child in sexual acts.
- **Emotional**, which refers to behaviors that harm a child's emotional well-being.
- **Neglect**, which is a failure to meet a child's basic needs, both physical and emotional.

Child maltreatment can have severe and long-lasting consequences for a child's physical, emotional, and psychological well-being. The effects of maltreatment can extend into adulthood, impacting all aspects of an individual's life. Some key consequences of child maltreatment may include:

- **Physical Health Problems**
 - Obesity, arthritis, back problems, high blood pressure, migraines, chronic fatigue syndrome, cancer, and stroke²
- **Emotional and Psychological Effects**
 - Depression, anxiety, substance use disorder², and post-traumatic stress disorder³
- **Cognitive and Educational Impacts**
 - Decreased focus or concentration, impaired short-term memory^{4,5}
- **Behavioral Issues**
 - Aggression, social isolation, anxiety, destructive behaviors, trust issues, academic difficulties⁶
- **Increased Chance of Adult Risky Behavior**
 - Substance use, high-risk sexual behaviors, and self-destructive behaviors⁴
- **Long-term Socioeconomic Impact**
 - Increased rates of unemployment, poverty, and Medicaid usage⁷

North Carolina spends more than **\$4000** a minute on the downstream consequences of child maltreatment.⁸

Adverse childhood experiences (ACEs) include child maltreatment, but also many other types of adversity. They are potentially traumatic events that occur during childhood.⁹ These negative experiences can affect a child's mental, physical, and emotional growth.

Children may also experience other ACEs, which impact a child's environment, undermine safety and stability, and can negatively impact their mental, emotional, and behavioral development.¹⁰ Other ACEs include experiences such as adverse community, climate, or cultural experiences, poverty, death of a caregiver, poor housing, community violence, bullying, or separation of children from families through divorce, death, foster care, or incarceration.

The impact of ACEs can accumulate over time and influence a person throughout their lifetime.¹⁰ ACEs are linked to a multitude of chronic health problems, mental illness, and substance misuse. Toxic stress is often triggered by ACEs, especially prolonged adversity, which affects brain development and can result in behavioral issues. Toxic stress differs from normal stress in many ways; for example, toxic stress is prolonged and without protective factors, whereas positive stress is brief and followed by relief or resolution.¹¹

Previous studies have shown that adults with ACEs have a higher prevalence of injuries, self-reported disability, worse mental health, worse maternal health outcomes, and more infectious disease.¹²⁻¹⁴ According to a 2019-2020 Behavioral Risk Factor Surveillance System (BRFSS) survey, an estimated 160 million people in the United States had 1 or more ACE, which was associated with an annual economic burden of \$14.1 trillion. This was calculated with \$183 billion in direct medical spending and nearly \$14 trillion in lost healthy life-years. Adults with 4 or more ACEs comprised 58% of the total economic burden, at an estimated cost of \$4 million per person over the span of a lifetime.¹⁵

In North Carolina, the cost of ACE-related health conditions is estimated at **\$552 billion** annually.¹⁶



Despite the wide-spread prevalence of ACEs in North Carolina, measuring ACEs presents some difficulties. For example, local data are limited; the primary source for ACEs data, the National Survey of Children's Health, provides state-level information but lacks granularity at the county, school district, and community levels. This limitation hinders the development of targeted, community-specific interventions.¹⁷ The National Survey of Children's health does not include all potential ACEs; questions that can be reported by parents are included, but questions about parental abuse and neglect are excluded. The evolving definitions and scope of the ACEs framework to include broader factors such as community environments, climate events, and cultural experiences create complications for consistent measurement and comparison across studies. ACEs scores are not a standardized measure of exposure; the frequency and intensity of an ACE may have a profound impact on how the experience affects a child and may lead to an underestimation of the potential harm caused by ACEs.¹⁸

Types of ACEs

Abuse

- Emotional
- Physical
- Sexual



Neglect

- Emotional
- Physical



Household Challenges

- Substance misuse
- Mental illness, including attempted suicide
- Divorce or separation
- Intimate Partner Violence or Domestic Violence
- Incarceration



Other Adversity

- Bullying
- Community violence
- Natural disasters
- Witnessing or experiencing acts of terrorism
- Refugee or wartime experiences



CHAPTER 1 | BACKGROUND ON CHILD MALTREATMENT

PREVENTION OF ACES

There are 3 different types of ACEs prevention:

- **Primary prevention** stops adverse experiences before they occur, through tools for families facing adversity, such as parent supports and classes, home-visiting programs, and family-friendly workplace policies.
- **Secondary prevention** includes immediate response targeting at-risk populations who are experiencing stress or adversity, such as Early Head Start.
- **Tertiary prevention** includes long-term responses to stop adversity and minimize its consequences. Examples of tertiary prevention include foster care, mental health therapy, and substance use treatment programs and supports.¹⁹

The work of the update committee and this report focused on primary prevention, as it proactively addresses and mitigates factors that can lead to ACEs before they occur. Primary prevention allows for the reduction of risk factors and the promotion of protective factors and long-term economic benefits, as well as the creation of sustainable, supportive systems.

RISK FACTORS AND PROTECTIVE FACTORS FOR ACES

ACEs most commonly result from a combination of factors at the individual, family, community, and societal levels that can increase or decrease the risk of individuals experiencing them. Some of these risk factors include:

Individual and family

- Children with few or no friends
- Children who don't feel close to their caregivers
- Families with high levels of economic stress
- Families with caregivers who were abused or neglected as children
- Families that are isolated from other people (e.g., extended family, friends, neighbors)

Community

- High rates of violence and/or crime
- High rates of poverty
- High unemployment rates
- Few community activities for children
- Families experiencing food insecurity^{20,21}

There are also protective factors that can help reduce or eliminate abuse and neglect. Some of the protective factors include:

Individual and family

- Children who have caring adults outside the family who serve as role models
- Children who have positive friendships and networks
- Families where caregivers can meet basic needs (e.g., food, shelter, health services)
- Families where caregivers provide consistent enforcement of rules
- Families that engage in positive activities together²¹

Community

- Access to economic and financial help
- Access to medical care and mental health services
- Access to safe, stable housing
- Caregivers having jobs with family-friendly policies
- Resident involvement in the community²¹

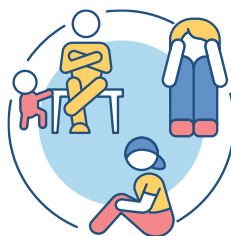
Society

- Financial support for families
- Access to health care
- Comprehensive social safety nets
- Equity-focused policies
- Workplace protections

The prevention of ACEs requires a multifaceted approach that addresses risk and protective factors across individual, family, community, and societal levels. By focusing on primary prevention, it's possible to stop adversity before it begins by building a foundation of support and resilience for children and families. This proactive strategy not only reduces the risk of ACEs but also fosters environments where protective factors can thrive, leading to healthier communities and long-term economic benefits.

North Carolina By the Numbers

In 2022, **20%** of children experienced more than **1** ACE in North Carolina.¹⁷



North Carolina ranks **19th** in ACEs in the United States.²²

Between July 2022 and June 2023, there were more than **116,000** children with investigated reports of possible abuse and neglect.²³

In 2022:

- Approximately **4 out of 10 children** in North Carolina experienced at least 1 ACE.
- **1 in 5 children** experienced 2 or more ACEs.
- **11% of children** experienced 3 or more ACEs.
- Black children were **1.7 times more likely** to experience 2 or more ACEs than White children.
- Hispanic children were **1.4 times more likely** to experience 2 or more ACEs than White children.¹⁷

There are also ways to prevent childhood abuse and neglect. According to the CDC, there are several strategies:

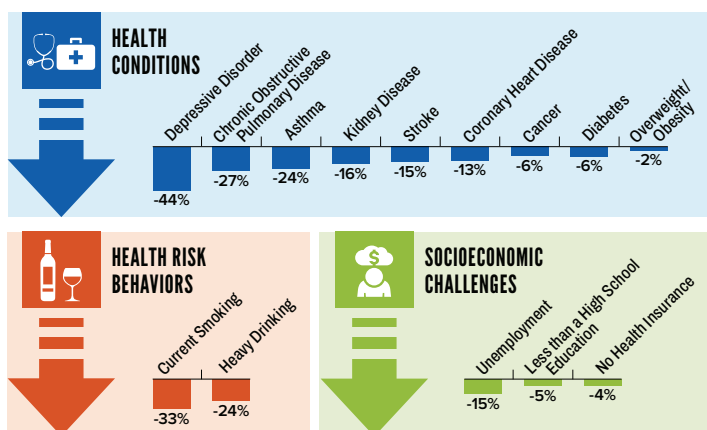
Figure 1.



Figure 2 shows some advantages of prevention of ACEs.

Figure 2.

Reduction in health conditions, risk behaviors and socioeconomic challenges resulting from ACEs prevention



Source. BRFGG 2015-2017, CDC Vital Signs, November 2019



More than **84%** of adult mental health clients have histories that list trauma.²⁵

Intergenerational transmission of ACEs occurs when the trauma experienced by parents impacts their parenting practices, physical and mental health, and emotional well-being. A parent's experience can, in turn, affect their children's development. Protective factors like positive relationships with caring adults, safe and stable environments, and supportive community resources can help break this cycle. These factors not only promote resilience in children but also offer parents the support they need to create nurturing and loving environments, ultimately fostering healthier outcomes for future generations.^{26,27}

POSITIVE CHILDHOOD EXPERIENCES (PCES)

Positive childhood experiences (PCEs) are experiences during childhood that create and promote safe, stable, nurturing relationships and environments and promote child development.²⁸ Research has shown that PCEs shape brain development and improve health across the lifespan.²⁹ PCEs can also help mitigate the impacts of ACEs and contribute to reducing the likelihood of health risk behaviors in adulthood.²⁸ Individuals with 3-5 positive childhood experiences had a 50% less likelihood of adult depression or poor mental health than those with 0-2 PCEs.³⁰

The 7 domains for PCEs are described as:

- An adult made me feel safe and protected in my home.
- I felt a sense of belonging in high school.
- I felt supported by friends.
- I had at least 2 non-parent adults who took a genuine interest in me.
- I felt my family stood by me during difficult times.
- I enjoyed participating in community traditions.
- I felt able to talk to my family about my feelings.³¹

Higher PCEs can lead to:

- more stable mental and emotional well-being
- lessened likelihood of adopting risky behaviors
- improved overall health across the lifespan
- strengthened resilience³²

Different types of PCEs may have differing degrees of impacts on lifelong health.³³ For example, higher ratings for "peer support and healthy school climate" were associated with lower odds of reporting psychological stress or anxiety and depression diagnoses.³³ Additionally, having strong familial and community connections was linked to better physical health outcomes and higher levels of resilience. These 2023 findings highlight the potential of PCEs to mitigate the effects of early adversity and promote overall well-being.³⁴

Multiple research articles report that the absence of PCEs results in more dramatic negative shifts in adult health than the presence of ACEs. It may be that PCEs positively influence the biology of stress, both by disrupting the toxic stress cycle brought on by ACEs as well as supporting the body's ability to manage regular life stressors regardless of ACE score.^{35–38}

Families' access to paid time off, child tax credits, positive parenting practices, affordable preschool and child care programs, and other opportunities that encourage PCEs can enhance family stability, reduce stress, and create supportive environments that promote children's healthy development.

PCEs offer a valuable perspective on child development by highlighting the importance of supportive, nurturing experiences that foster resilience and well-being. Traditionally, much of the focus in addressing children's needs has centered on preventing or mitigating the negative impacts of ACEs, creating a more deficit-oriented approach. While it is essential to recognize and address these risks, an emphasis on PCEs balances this perspective by underscoring the strengths and resources that contribute positively to children's lives. By expanding our focus to include PCEs, we can create more comprehensive strategies that build upon positive factors and protective elements to help children thrive.

STRUCTURE OF THIS REPORT

Recommendations from the update committee are described in Chapters 2-6 of this report:

- **Chapter 2** Social Norms
- **Chapter 3** Economic Mobility and Financial Stability
- **Chapter 4** Child Care
- **Chapter 5** Mental and Behavioral Health
- **Chapter 6** Data to Action

New recommendations are integrated alongside revisited 2015 recommendations. The previous recommendations and their implementation status will be identified in the Appendix of this report.

Each recommendation will provide:

- **Context:** Data across the topic, current efforts, and relevant policies
- **Why the update committee recommends this strategy:** Reasoning behind the recommendation
- **Desired result:** What the recommendation hopes to accomplish
- **Alignment across North Carolina:** Other organizations working on similar strategies

ALIGNMENT AS A KEY TOOL

Alignment refers to the degree to which different programs, strategies, or efforts are coordinated and harmonized to achieve shared goals or outcomes. It ensures that the initiatives complement rather than duplicate or contradict each other, maximizing their collective impact. This is particularly important in fields such as child health; it ensures comprehensive, effective care for a population with diverse needs. The update committee recognized the need for alignment of Essentials for Childhood strategies with efforts across the state to address many aspects of child and family health:

- Children's healthy growth and development is multifaceted. Maternal health is a foundational aspect, as a mother's well-being directly affects a child's physical, emotional, and cognitive development from pregnancy to early life. As such, maternal health will be prioritized in many chapters, highlighting the ways in which improvements in maternal health can create a healthier foundation for children, reduce health care costs, and improve quality of life.
- Hurricane Helene had a profound impact on child health in North Carolina by disrupting essential services, increasing exposure to trauma, and placing significant strain on resources critical to children's physical and emotional well-being, including child care and education. This disaster highlighted the urgent need for strong disaster preparedness and recovery frameworks to protect vulnerable populations, particularly children. Due to its effect in Western North Carolina, this report will reference the storm's far-reaching implications for child health and related systems, as well as cite Hurricane Helene as an example of an adverse climate experience.

The alignment of partners throughout North Carolina is integral to the successful implementation of recommendations in this report. There are many organizations across the state doing complementary work, and it is necessary to make a concentrated effort to align and not duplicate or silo the work of other organizations. For this reason, those doing complementary work will be highlighted throughout the report to ensure mutual goals are met. The named organizations in the recommendations and alignment pieces are encouraged to consider sustainability and evaluation early in implementation and planning.

MATERNAL WELL-BEING AS A PROTECTIVE FACTOR AGAINST ACES

Maternal physical and mental health plays a critical role in the prevention of adverse childhood experiences (ACEs) and in fostering healthy childhood development. The health of the mother during pregnancy has lasting effects on the child, as the mother's physical and mental well-being directly influences fetal development.³⁹ The risks associated with poor maternal health, such as preterm birth and low birth weight, are linked to long-term developmental challenges, placing children at greater risk for experiencing ACEs. In North Carolina, where the preterm birth rate was 10.7% in 2023, the need for improved maternal health care is pressing.⁴⁰ This was especially apparent in Black birthing people, where the preterm birth rate was 1.4 times higher than the rate among all other babies.⁴⁰ The infant mortality rate was also highest among Black birthing people, at 1.7 times the state rate.⁴⁰

The health of mothers during pregnancy directly shapes the physical, emotional, and cognitive development of their children, making maternal health a critical focus in efforts to reduce childhood adversity. In addition to the immediate impact of maternal health on fetal development, maternal well-being continues to influence the child's experiences and health long after birth. Healthy mothers are better able to engage in nurturing and responsive caregiving, which is essential for fostering secure attachment and promoting resilience in children. However, maternal mental health issues—such as depression and anxiety—can undermine a mother's ability to provide consistent, emotionally available care, increasing the likelihood of emotional neglect and other ACEs. In fact, in 2018-2019, mental health conditions were the leading cause of pregnancy-related deaths in North Carolina, underscoring the urgent need to address maternal mental health.⁴¹

It is also important to recognize that while maternal health is a key factor in ACE prevention, caregiving is a shared responsibility. Once a child is born, their caregiving network may include a variety of individuals who provide essential emotional, physical, and social support, such as partners, extended family members, legal guardians, and nonfamily caregivers like paid child care providers. **Each caregiving configuration plays a critical role in a child's well-being, helping to mitigate the risk of ACEs by providing stability, nurturing relationships, and additional sources of care and support.** Comprehensive approaches to child health must take into account the interconnectedness of maternal health and the broader network of caregivers, acknowledging that the presence and involvement of multiple caregivers can strengthen the foundation for a child's development. These caregiving approaches should also consider the importance of positive childhood experiences (PCEs) to reinforce the narrative shift to the positive, proactive frames.

Maternal health not only affects the current child but can have lasting implications for future generations. Poor maternal health outcomes can perpetuate cycles of adversity, as children who experience ACEs are more likely to encounter challenges in adulthood, which can affect their ability to parent effectively. By improving maternal health and addressing the socioeconomic drivers that contribute to poor outcomes, we can break these cycles and promote healthier future generations. Those giving birth in North Carolina are particularly vulnerable to poor health outcomes due to socioeconomic factors, with higher risks linked to limited access to health care, housing instability, and income inequality.⁴⁰ Addressing these disparities is key to improving both maternal health outcomes and the long-term health and well-being of children.

Moreover, research has indicated that maternal experiences of ACEs are linked to mental health challenges in their children.³⁹ This suggests that the effects of ACEs can be passed down from 1 generation to the next, influencing the mental health of offspring.⁴² However, more research is needed to better understand the factors that mediate this intergenerational transmission, as well as to develop effective intervention strategies that can prevent both ACEs and associated mental health issues in future generations.

Additionally, economic stress plays a significant role in both maternal health and child well-being. Mothers who face financial insecurity are more likely to experience high levels of stress, which negatively impacts their physical and mental health. Economic strain also limits access to necessary health care, including prenatal and postpartum care, further compounding the risk of adverse outcomes. In North Carolina, where 37% of women have children in the home living with them, supporting economic stability—through policies like paid family leave, affordable health care, and access to mental health services—can reduce maternal stress and create a more secure home environment. Economic security is a crucial protective factor against ACEs, and improving it is essential for the well-being of both mothers and children.

To further reduce the impact of ACEs and improve maternal health, implementing solutions like ACEs screening as part of standard prenatal care can be a highly effective strategy.⁴³ Studies show that ACEs screening is feasible and generally acceptable to patients, offering health care providers critical information to address potential risks early. Integrating ACEs screening into prenatal care allows for timely interventions and support, helping mitigate the effects of early adversity on both the mother and child. Additionally, screening for mental health conditions such as depression and anxiety during pregnancy can allow for early identification and treatment, improving outcomes for both the mother and child.

While maternal health is central to preventing ACEs and fostering healthy childhoods, it is important to recognize the broader context of caregiving, which includes both the mother and other caregivers. Improving maternal health outcomes, particularly in areas like prenatal care and mental health, is essential for reducing the risk of ACEs. By addressing the socioeconomic drivers of maternal health, supporting economic stability, and strengthening caregiving networks, we can build a foundation for healthier children and families. Ultimately, promoting maternal health not only benefits the current generation of children but has the potential to break the intergenerational cycle of adversity, fostering long-term health and well-being for future generations.

HURRICANE HELENE

Hurricane Helene, which struck North Carolina in late September 2024, has significantly impacted children and families in Western NC (WNC), which is amplifying lessons and opportunities to strengthen family support. The storm caused catastrophic flooding and destruction, particularly in WNC, leading to widespread displacement and trauma among children and families. Many schools remained closed weeks after the hurricane, disrupting education and social support systems crucial for children's development. This also held true for those who had to temporarily or permanently relocate. Additionally, the loss of homes and community infrastructure has heightened stress and instability, factors known to contribute to adverse childhood experiences (ACEs). Mental health providers are actively working to help children cope with the aftermath, but the long-term effects on children, including on ACEs, are still unfolding. The disaster underscores the need for comprehensive support systems to mitigate the impact of such traumatic events on children's well-being.

To address the impact of Hurricane Helene in WNC, a multi-faceted approach is needed to support children and families in recovery. One program that assisted those affected by Hurricane Helene was the Disaster Supplemental Nutrition Assistance Program (D-SNAP), which approved more than 164,000 individuals for benefits. D-SNAP, operated by the North Carolina Department of Health and Human Services (NCDHHS), allowed for individuals in 25

western counties and members of the Eastern Band of Cherokee Indians living in zip code 28719 to apply for D-SNAP benefits from October 18 to October 24, 2024. A family of 4 was eligible for approximately \$975 in benefits per month; these benefits are good for up to 9 months.⁴⁴

Another form of state support was provided through assistance given to child care facilities. NCDHHS helped child care centers reopen quickly and safely to ensure that families could continue accessing essential services. Over 200 child care centers in 25 counties were affected, and NCDHHS is offering resources to facilitate the reopening process.⁴⁵

In the aftermath of Hurricane Helene, WNC faces a long-term recovery process that requires sustained support and strategic planning. Sustained commitment from state and federal agencies, alongside community-driven initiatives, will be essential to rebuilding WNC and ensuring the well-being of its residents in the years to come.



Photo courtesy of Mountain Pathways School, Boone, North Carolina. <https://mountain-pathways.org/updates>

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2

CHAPTER TWO

Social Norms

26

RECOMMENDATION 1

Promote the incorporation of positive childhood experiences (PCEs) throughout state and local initiatives, maximize the impact of existing supports, and identify additional resources needed.

30

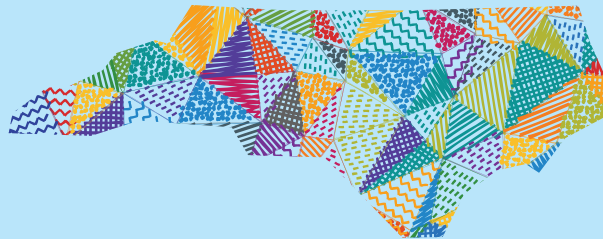
RECOMMENDATION 2

Identify methods to collect and share data on social norms related to economic supports for families and prioritize targeted data collection that can inform strategies to enhance financial stability and economic mobility.

34

RECOMMENDATION 3

Continue the development and expansion of public awareness campaigns that focus on the role of economic supports.



Social norms, in the context of children and the prevention of adverse childhood experiences, refer to the shared beliefs, values, and expectations within a community. These norms influence behaviors, attitudes, and interactions related to child care, protection, and upbringing.¹ These norms play a significant role in shaping how children are treated and what is considered acceptable or unacceptable behavior toward children and families. Essentials for Childhood aims to understand the ways that social norms do or do not serve to prioritize the well-being of children and families and to encourage practices that prevent child maltreatment. This can be done in part through promoting positive community norms around parenting programs and acceptable parenting behaviors and implementing evidence-based programs for parents and caregivers.²

KEY ASPECTS OF SOCIAL NORMS IN PREVENTING ACES

Positive Social Norms:

- Encouraging nonviolent discipline and positive parenting techniques³
- Valuing children's well-being as a community responsibility¹
- Fostering safe and supportive environments

Harmful Social Norms:

- Accepting physical punishment or harsh discipline as appropriate parenting methods
- Viewing child maltreatment as a private family matter rather than a community or societal concern
- Normalizing behaviors or practices that neglect children's rights or needs

HOW SOCIAL NORMS INFLUENCE ACES PREVENTION:

1. Behavioral Influence:

- Social norms shape parenting practices, caregiving behaviors, and how adults interact with children. For example, if a community encourages nonviolent discipline and promotes nurturing practices, the likelihood of abuse is reduced
- Norms that reduce the stigma of seeking mental health or substance use treatment help parents address challenges that might otherwise contribute to neglect or abuse

2. Reporting and Intervention:

- Norms affect whether bystanders, such as neighbors or teachers, feel empowered to report suspected maltreatment or intervene when they witness harmful behavior
- Social norms shape whether community members, such as teachers, neighbors, or faith leaders, support families and make referrals to community-based resources such as housing assistance, food security programs, parenting education, and mental health services prior to reporting to child welfare services, reducing unnecessary system involvement

3. Policy and Program Acceptance:

- Programs aimed at preventing child maltreatment (e.g., parenting classes, public awareness campaigns) are more successful when they align with or aim to shift existing social norms.

4. Community Responsibility:

- Social norms determine whether child protection is seen as an individual responsibility or a collective societal duty, influencing the availability of and support for child welfare systems.

CHANGING SOCIAL NORMS TO PREVENT ACES:

1. Public Awareness Campaigns:

- Educating communities about the harms of corporal punishment and the benefits of nurturing parenting styles.

2. Community Engagement:

- Engaging local leaders, schools, employers, and faith-based organizations to promote shared responsibility for child safety and well-being.

3. Policy Advocacy:

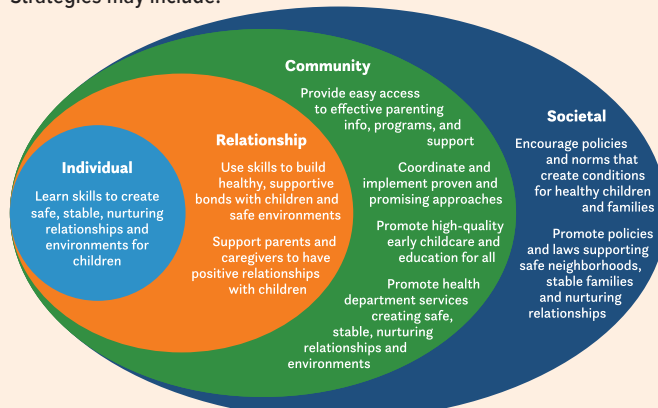
- Enacting and enforcing laws that reflect positive social norms, such as banning corporal punishment in schools or mandating reporting of child abuse.
- Enacting policies that support caregiving for children, such as Paid Family and Medical Leave, child care subsidies, food assistance, and tax credits like the Child Tax Credit and Earned Income Tax Credit.

4. Modeling Positive Behaviors:

- Training parents and caregivers on alternative discipline methods and providing resources for stress management and parenting skills.
- Educating community members about the importance of connections between parents and children, with extended networks of friends and family, and with community-based resources and supports.

Figure 1.
Prevent child abuse and neglect through changes at all levels

Strategies may include:



Learn more about child maltreatment prevention from CDC: <http://www.cdc.gov/violenceprevention/childmaltreatment/prevention.html>

The Centers for Disease Control and Prevention (CDC) focuses largely on creating a community-oriented approach that empowers parents and caregivers with supportive norms that reduce stressors and increase resources for healthy parenting.⁴ These norms aim to reduce ACEs and foster environments where children can thrive. Defining positive norms and setting clear expectations helps create a foundation for cultivating health attitudes, supportive behaviors, effective programs, and policies that promote well-being. Healthy social norms around parenting foster a supportive environment for both parents and children, encouraging growth, connection, and mutual respect.

Some strategies include:

- Public education campaigns to help reframe how people think and talk about ACEs and who is responsible for preventing them.
- Legislative approaches to reducing corporal punishment can establish norms for safer discipline, reducing harms from physical punishment.
- Bystander approaches: teaching skills to intervene safely and reinforce norms that reduce the risk of future harm.
- Mobilizing men as allies to help foster healthy norms around gender, masculinity, and violence.⁵

As the recommendations commence, the following structure will appear:

- **Recommendation:** The overarching, high-level proposal that outlines the key action needed to address the issue. It sets the overall desired outcome.
- **Strategy:** A more specific step that implements the recommendation. It breaks down the broader recommendation into concrete actions, outlining how it can be achieved and who should be involved.
- **Context:** Provides the background information that explains how the strategy fits within existing challenges, policies, and data, grounding the recommendation in evidence-based needs.
- **Motivation:** Explains why the recommendation is necessary and provides the reasoning for policymakers, funders, and other decision-makers to understand the broader implications.
- **Desired Result:** What the strategy hopes to accomplish.
- **Alignment:** Lists other organizations working on similar outcomes and strategies.

RECOMMENDATION #1

A working group should be established by NCDHHS to promote the incorporation of positive childhood experiences (PCEs) throughout state and local initiatives and identify gaps requiring additional investment. Strategies should maximize the impact of existing supports and identify additional resources needed to implement and raise awareness of existing infrastructure for PCEs. Strategies should include a focus on various audiences, including families, health care and service providers, local and state policymakers, faith communities, employers, schools, and others.

See Recommendation 3.2 in the Appendix for the original 2015 recommendation.

Strategy 1

The working group should assess existing organizations that promote PCEs. The assessment should include identifying current programs and services, including the communities they serve, their current capacity, funding sources, and sustainability. As part of this effort, the working group should also identify gaps where trauma-informed practices are underutilized and where additional state, local, and philanthropic investment is needed to fully integrate these practices at a community and organizational level.

CONTEXT

Positive childhood experiences (PCEs) and trauma-informed practices play a crucial role in fostering resilience, mitigating the impacts of adverse childhood experiences (ACEs), and promoting long-term well-being for children and families. Trauma-informed practice refers to an approach to care, service delivery, or policymaking that recognizes the widespread impact of trauma, understands its signs and symptoms, and responds by prioritizing safety, empowerment, and healing. It emphasizes creating environments that reduce re-traumatization and promote resilience and recovery. *See chapter 5 for more information about trauma-informed practices.*

Integrating these practices at a community level is essential; it creates a supportive, inclusive environment that acknowledges and addresses the impact of trauma and promotes healing across populations. It also strengthens the connections between community resources, ensuring that individuals and families can access consistent, coordinated support systems tailored to their needs.⁶

WHY DOES THE UPDATE COMMITTEE RECOMMEND THIS STRATEGY?

This strategy will identify strengths and address critical gaps in the implementation and integration of trauma-informed practices across organizations and communities, which are essential for promoting PCEs. Trauma-informed practices are proven to mitigate the long-term impacts of ACEs by fostering environments that promote resilience and well-being. Identifying where these practices are underutilized ensures that all children and families, particularly those in high-need areas, have access to care and support that is responsive to their experiences.

DESIRED RESULT

To create a comprehensive, trauma-informed system of supports that effectively promote PCEs across communities and organizations. By assessing existing efforts, addressing gaps in trauma-informed practices, and guiding targeted investments, the goal is to ensure equitable access to responsive care and enhance resilience in children and families.

ALIGNMENT ACROSS NC

- **Positive Childhood Alliance North Carolina (PCANC)**, the state chapter of Prevent Child Abuse America and the National Family Support Network, is 1 organization that promotes PCEs and advances policies, programs, and practices that support the well-being of all children and families in North Carolina. PCANC's strategic plan focuses on building and sustaining protective factors in communities across the state.⁷ Through their Positive Childhood Alliance, PCANC is equipping agencies and professionals across the state to promote positive experiences and protective factors through training, technical assistance, and public awareness campaigns.
- **The North Carolina Partnership for Children/Smart Start (NCPC)**, which leads the statewide Smart Start network, serves as the backbone of the NC Healthy and Resilient Communities Initiative and aims in part to increase PCEs for children.⁸
- **The NC Resilience & Learning Project** implements trauma-informed practices in schools to support students who have ACEs.⁹
- **North Carolina PACEs Connection** provides a forum to inform and connect individuals and communities working to help prevent and mitigate ACEs.¹⁰
- **The Trauma & Resilience Design Group** consists of cross-sector system and community partners that were convened for a series of exploratory co-design conversations focused on strengthening trauma-informed systems and community resiliency-building efforts across North Carolina.

Strategy 2

The North Carolina Department of Health and Human Services Division of Public Health (DPH), Division of Child and Family Well-Being (DCFW), Division of Social Services (DSS), and Positive Childhood Alliance NC (PCANC) should prioritize the promotion of positive childhood experiences in current initiatives, ensuring that multiple sectors (such as private sector and community voices) are involved in determining implementation strategies and addressing barriers to coordination.

CONTEXT

The Division of Child and Family Well-Being (DCFW) enhances coordination between NCDHHS food and nutrition, social, and mental health services to support North Carolina's children and to ensure they are growing up in safe, healthy, nurturing, and resilient families and communities. DCFW also coordinates increased investments to improve child health and well-being, maximizing the opportunities for positive childhood experiences (PCEs).

The Division of Social Services plays a critical role in supporting families and children, particularly those at risk of adverse experiences. DSS is responsible for overseeing child welfare programs, including child protective services (CPS), foster care, and adoption services. These systems directly impact children and families at risk of ACEs, making DSS integral to promoting PCEs.

Both positive and adverse childhood experiences shape health and development across the lifespan.¹¹ PCEs are foundational interactions and environments during childhood that foster safety, stability, and nurturing relationships. These experiences support a child's sense of belonging, strengthen connectedness, and enhance resilience.¹²

Ensuring community representation means that disparities are identified and addressed, amplifying the voice of historically underrepresented groups. Community participation also fosters ownership and commitment, increasing the likelihood that PCE initiatives are sustained over time. Community representation ensures that initiatives are community-relevant, reflecting their needs and preferences, thus likely increasing uptake and sustained use of offerings.

Barriers to coordination may include fragmented systems; different sectors, such as public health and community groups, may operate in silos, making it difficult to share information, align goals, and coordinate efforts effectively. Also, rural and underserved communities may lack the infrastructure or capacity to participate fully in PCE initiatives.

WHY DOES THE UPDATE COMMITTEE RECOMMEND THIS STRATEGY?

Prioritizing PCEs leads to better health, social, and academic outcomes for children, reducing the need for costly interventions later in life.¹³ Addressing critical gaps in collaboration and resource alignment can reduce the barriers to effective promotion of PCEs.

Engaging multiple sectors helps address systemic barriers, such as resource gaps or fragmentation between services, that can hinder the

effectiveness of PCE-focused initiatives. Coordinating across multiple sectors ensures that efforts to promote PCEs are not fragmented but instead build on each other, creating a stronger and more cohesive system.

DESIRED RESULT

The integration of positive childhood experiences (PCEs) into current initiatives ensures that programs across health, education, and social services will work to build resilience in children and families, reduce child welfare system involvement, and improve long-term health and social outcomes.

ALIGNMENT ACROSS NC

- **Positive Childhood Alliance NC** promotes evidence-based programs geared towards increasing positive childhood experiences and raising awareness on the importance of PCEs in buffering against adversity.
- **North Carolina Early Childhood Foundation** promotes PCEs by advancing policies and practices that ensure all children are healthy, ready to learn, and supported in nurturing environments through programs like Family Forward NC.
- **The North Carolina Department of Health and Human Services** has programs and strategic priorities such as the Early Childhood Action Plan and Healthy North Carolina 2030 that aim to reduce ACEs while increasing PCEs through systemic strategies.
- **NCPK/Smart Start** promotes PCEs by supporting early childhood development, parent education, and access to quality early care and education programs.
- **NCDHHS Division of Social Services** has adopted a State Prevention Framework which provides a "roadmap for the state, regional and local organizations and communities to support, empower, protect and strengthen families."¹⁴ The Prevention Framework and Principles focus on primary, secondary, and tertiary prevention efforts, services, and interventions to prevent child maltreatment and enhance the well-being of children and families.
- **NC Department of Public Instruction** supports Specialized Instructional Support Personnel (school nurses, social workers, counselors, and psychologists) statewide through technical assistance and professional development; provides trauma-informed approaches to school staff; and engages in response to natural disasters (e.g., Hurricane Helene) their immediate impacts, and the long-term implications.

Strategy 3

The organizations named above should identify appropriate metrics for evaluating initiatives' impact on positive childhood experiences.

CONTEXT

Positive childhood experiences (PCEs) can significantly impact children's health and well-being.¹⁵ Choosing metrics aligned with PCEs, such as parental support, safe environments, or access to community resources, helps determine whether the initiatives are achieving their goals. Additionally, using data-driven metrics ensures accountability, provides insights into areas for improvement, and supports the scalability of successful initiatives, ultimately fostering resilience and long-term benefits for children and families. Appropriate resources may include rates of early developmental screenings, reduction on child maltreatment reports and foster care placements, enrollment rates in home visiting programs, or policy changes to expand financial supports to families.

WHY DOES THE UPDATE COMMITTEE RECOMMEND THIS STRATEGY?

Using the correct metrics to evaluate the initiatives is essential to providing a clear framework for measuring progress, assessing effectiveness, and ensuring that resources are used effectively. Appropriate metrics help to determine whether an initiative is achieving its intended outcomes, such as promoting PCEs; they also allow organizations to quantify achievements and showcase results to stakeholders, funders, and the community. Tracking metrics also keeps organizations and systems focused on desired results while tracking trends and concerning spikes so that data can be used to guide and support action.

DESIRED RESULT

The inclusion of appropriate metrics to evaluate effectiveness, identify gaps, and refine programs to better support children and families will ensure that initiatives are equitable and impactful, fostering more resilient communities and better childhood outcomes.

ALIGNMENT ACROSS NC

- **Positive Childhood Alliance NC** promotes evidence-based programs to increase positive childhood experiences and raises awareness on the importance of PCEs in buffering against adversity.
- **North Carolina Early Childhood Foundation** promotes PCEs by advancing policies and practices that ensure all children are healthy, ready to learn, and supported in nurturing environments through programs like Family Forward NC.
- **The North Carolina Department of Health and Human Services** has programs and strategic priorities, such as the Early Childhood Action Plan, that aim to reduce ACEs while increasing PCEs through systemic approaches.
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- **NCDHHS Division of Social Services** has adopted a State Prevention Framework which provides a "roadmap for the state, regional and local organizations and communities to support, empower, protect and strengthen families."¹⁴ The Prevention Framework and Principles focus on primary, secondary, and tertiary prevention efforts, services, and interventions to prevent child maltreatment and enhance the well-being of children and families.
- **NC Department of Public Instruction** supports Specialized Instructional Support Personnel (school nurses, social workers, counselors, and psychologists) statewide through technical assistance and professional development; provides trauma-informed approaches to school staff; and engages in response to natural disasters (e.g., Hurricane Helene) their immediate impacts, and the long-term implications.

Strategy 4

The work group should identify methods for philanthropic support. Philanthropy should provide for expanded parenting programs to help parents and caregivers develop positive skills, increase opportunities for PCEs, and foster healthy child development.

CONTEXT

Parenting programs equip caregivers with skills to manage stress, foster emotional connections, and promote positive discipline, all of which help to enhance child well-being.

One example in North Carolina is the Positive Parenting Program (Triple P), which helps provide interventions for parents who need assistance with behavior and development.¹⁶ This evidence-based program is designed to help parents learn how to manage their children's behavior, build strong relationships, help children learn to solve problems on their own, and maintain positive self-esteem. There are 17 parenting strategies taught in 4 core areas, such as developing positive relationships and teaching new skills.¹⁷ Other program examples include Circle of Parents, Incredible Years, Circle of Security, and Nurturing Parents.

For similar programs, philanthropy can provide flexible funding to scale successful programs and expand their reach. Philanthropy can also foster relationships between public agencies, nonprofits, and private sectors to maximize impact and align resources. While government programs provide baseline funding, they often fall short of meeting demand or addressing underserved populations. With the help of sustainable, long-term public funding, philanthropy can fill these gaps and target specific needs.

WHY DOES THE UPDATE COMMITTEE RECOMMEND THIS STRATEGY?

Philanthropic investment is critical to fostering innovative approaches, addressing funding shortfalls, and supporting initiatives that benefit families and children. This is particularly important for parenting programs, which provide parents with the tools and education necessary to enhance their ability to foster PCEs and support healthy child development.

DESIRED RESULT

To reduce the number of children experiencing ACEs through the increase of positive childhood experiences.

ALIGNMENT ACROSS NC

- **The North Carolina Early Childhood Foundation** promotes programs that highlight the importance of early childhood investments and advocates for philanthropic investments to expand parenting support programs.
- **Early Years** partners with philanthropic organizations to fund initiatives that strengthen parenting and caregiver support in child care settings.
- **NCPC/Smart Start** collaborates with philanthropy to expand family support initiatives and foster community-based solutions.
- **Kate B. Reynolds Charitable Trust** provides funding for parenting programs that promote resilience and reduce childhood adversity.
- **Z. Smith Reynolds Foundation** funds innovative parenting programs and advocates for increased PCE opportunities across the state.
- **The Duke Endowment** provides funding for early childhood, health, and family strengthening programs and expands evidence-based parenting programs.

RECOMMENDATION #2

If adequate capacity and resources are available, the UNC School of Social Work will identify specific methods and measures to collect and share data on social norms related to economic supports for families. The approach should prioritize targeted data collection that can inform strategies to enhance financial stability and economic mobility in North Carolina communities.

See Recommendation 4.2 in the Appendix for the original 2015 recommendation.

Strategy 1

If adequate capacity and resources are available, robust data will be collected by the UNC School of Social Work on social norms related to economic supports, and an evaluation will be conducted of programs and policies that provide economic supports to families.

CONTEXT

The social safety net consists of a variety of economic support systems such as food assistance, income support, health insurance coverage, and housing assistance. These supports are typically dependent on income, with more benefits available for lower-income families. Economic assistance to families can reduce involvement with the child welfare system and reduce the number of children entering the foster system.¹⁸ Income support for families is positively associated with cognitive development and social and behavioral skills in children. Yet, the stigmatizing nature of economic assistance has been shown to sometimes deter eligible applicants from participating in assistance programs.¹⁹

OTHER BARRIERS INCLUDE:

- **Administrative burden:** Navigating applications for support may deter families from seeking assistance. These applications may also require extensive paperwork, eligibility determinations, and/or frequent reapplication periods, which may discourage participation.²⁰
- **Structural barriers:** Historical and structural inequities disproportionately affect families of color, limiting their access to economic opportunities and support systems. Also, families in rural or underserved areas may have limited access to support services due to geographic isolation and lack of infrastructure.²¹
- **Language and literacy barriers:** Non-English-speaking families or those with limited literacy may struggle to understand and complete applications without adequate support. In addition, families with members who are undocumented may hesitate to seek economic assistance for fear of risk of deportation.²²
- **Digital divide:** Limited access to technology and the internet can hinder families from applying for benefits, especially as programs increasingly move online.

- **Funding barriers:** Programs providing financial support, such as child care subsidies and housing assistance, are not funded to meet demand.

In North Carolina, more than **69%** of Supplemental Nutrition Assistance Program (SNAP) participants are families with children.²³

In 2023, there was an average of **8647** families receiving temporary assistance for needy families (TANF) in North Carolina.²⁴

Families receiving child care subsidies: **24,300**^{*25}

Number of children enrolled in Medicaid and CHIP: **1,437,572**²⁵

*However, only about 15% of families who are eligible for subsidies are participating in the program. (Kella Hatcher, JD, email communication, February 2025)

WHY DOES THE UPDATE COMMITTEE RECOMMEND THIS STRATEGY?

Understanding and addressing perceptions of financial assistance is critical for improving program participation and ensuring families have access to the support they need. Collecting data on these perceptions helps identify specific concerns, enabling targeted efforts to reduce stigma and foster trust in financial assistance programs. By understanding these perceptions, agencies can identify and address both actual and perceived barriers, making programs more accessible. Increased utilization may lead to greater financial security, which helps to reduce stress, improve family stability, and create better opportunities for children to thrive in safe and nurturing environments.

DESIRED RESULT

To improve parent engagement with economic assistance programs by addressing negative perceptions and barriers, ultimately increasing financial stability for families.

ALIGNMENT ACROSS NC

- **The NC Healthy & Resilient Communities Initiative** supports local multi-sector coalitions addressing adversity and trauma at multiple levels. It aims to build resilient communities by preventing ACEs, increasing protective factors and PCEs, and promoting systems change.²⁶
- **The EarlyWell Initiative**, co-led by NC Child and the North Carolina Early Childhood Foundation, aims to ensure that children prenatal through age 8 and their caregivers thrive in healthy relationships without barriers to care.²⁷
- **Family Resource Center (FRC) Networks** provide increased connectedness, coordination, cooperation, and collaboration among members, training and technical assistance, advocacy, policy, and legislation, and maintain a shared data tracking system. The North Carolina Family Resource Center Network seeks to connect Family Resource Centers from across North Carolina to both increase investments and promote best practice in family support services through advocacy and collaboration.
- **The NCDHHS Division of Social Services** oversees the financial support programs delivered through County DSS agencies, including SNAP, Work First (TANF) assistance, Medicaid, child care subsidies, and emergency assistance.
- **The NCDHHS Division of Public Health** oversees the programs delivered through local public health departments, including WIC.

Strategy 2

The data should then be disseminated to help programs across the state reduce barriers and improve program participation.

CONTEXT

Currently, many economic support programs face challenges with low utilization rates and under-participation, often due to societal stigma, misinformation, limited awareness, or procedural barriers.^{28,29} Disseminating data collected by the UNC School of Social Work can help demonstrate that stigma associated with these supports is misplaced, highlighting instead that families typically use funds in appropriate and beneficial ways.³⁰ Additionally, disseminating data about program effectiveness—including insights on what works well and what does not—can help improve outreach, simplify processes, and increase trust among potential participants. Sharing data with parent advisory groups and engaging families directly in interpreting and acting on these findings can further reduce barriers, build community buy-in, and inform funding decisions. Increased program participation will enable families to become more financially stable, reducing their likelihood of involvement with the child welfare system¹⁸ and improving outcomes for children by proactively addressing needs before families experience crisis situations, diminishing stigma associated with accessing economic supports.

Research suggests that changing norms to focus on reducing stigma around help seeking, promoting supportive and positive parenting, and enhancing connectedness to family and community can protect against violence and adversity.”²⁹

WHY DOES THE UPDATE COMMITTEE RECOMMEND THIS STRATEGY?

By collecting targeted data on social norms related to these supports, the UNC School of Social Work can provide critical insights into community attitudes, beliefs, and perceptions influencing participation. Disseminating these insights statewide equips programs and policymakers with actionable information to reduce stigma, clarify misconceptions, simplify processes, and tailor outreach to better meet community needs. Ultimately, this will improve equitable access, participation, and overall effectiveness of economic support programs, fostering enhanced economic mobility and stability for North Carolina families.

DESIRED RESULT

Increased participation and equitable access to economic support programs, leading to improved financial stability and economic mobility for North Carolina families.

ALIGNMENT ACROSS NC

- **North Carolina Early Childhood Foundation (NCECF)** advocates for policy and practice improvements to strengthen economic and social supports for families, aligning closely with efforts to enhance program participation.
- **Positive Childhood Alliance North Carolina (PCANC)** supports strategies that strengthen families economically to prevent child maltreatment, aligning with reducing stigma and proactively meeting families' needs.
- **NCPC/Smart Start** funds and coordinates early childhood programs statewide that prioritize economic supports and community-based solutions to strengthen family resilience.
- **North Carolina Early Childhood Action Plan (ECAP)** sets statewide goals for improving economic stability and family well-being, directly aligning with efforts to reduce stigma and increase program participation.
- **Healthy Opportunities Pilots (HOP)** tests innovative strategies for addressing economic instability and social drivers of health, creating alignment in reducing barriers to program access.

Strategy 3

Considering other priorities, philanthropy and other relevant funders will be solicited to provide the necessary funding to initiate these activities.

CONTEXT

Philanthropic funders typically have more flexibility in how funds are allocated and used; for example, they can support innovative evaluation methods without the constraints of government oversight. Public funders often operate within strict regulatory frameworks, requiring specific standards tied to federal or state funding requirements. Philanthropic funders may also respond more quickly to emerging needs.

Philanthropic funders complement public funders by offering flexibility, independence, and a focus on equity and long-term capacity building. Their ability to fund innovative and community-centered evaluation strategies provides a critical advantage, ensuring that programs are not only compliant but also effective, inclusive, and sustainable.

WHY DOES THE UPDATE COMMITTEE RECOMMEND THIS STRATEGY?

The UNC School of Social Work is recognized for its research on social drivers of health, economic mobility, and family resilience. Its focus on applied research means it works closely with North Carolina communities, particularly underserved areas, to address systemic challenges like poverty and access to resources. Also, for more than 30 years, the School of Social Work has led the Family and Children's Resource Program, which works with organizations that serve the families and communities of North Carolina. This program develops customized training and coaching programs and evaluates program effectiveness, among other services.^{31,32}

Philanthropic support for community-based organizations can provide resources such as training tools and systems for the infrastructure, staff, and experience needed for high-quality evaluation. Philanthropic assistance can also support the development of equitable evaluation frameworks that prioritize the inclusion and representation of underserved populations, ensuring their voices are heard and their needs are addressed.

DESIRED RESULT

To enhance the UNC School of Social Work's ability to conduct effective, equitable, and data-driven evaluations, ensuring the evaluation achieves meaningful outcomes for children and families while informing future improvements and investments.

ALIGNMENT ACROSS NC

- **Kate B. Reynolds Charitable Trust** funds initiatives addressing poverty, housing instability, and food insecurity. It also supports programs that reduce stigma by integrating economic assistance into broader community health efforts.
- **Z. Smith Reynolds Foundation** supports advocacy and community-based programs that address economic inequities and reduce barriers to accessing assistance.
- **BlueCross BlueShield Foundation of North Carolina** invests in programs that reduce stigma and improve access to economic assistance.
- **The Duke Endowment** funds programs that address child poverty and expand access to family supports. It also invests in research and initiatives to reduce stigma and increase the utilization of available resources.
- **United Way of North Carolina** operates initiatives like NC 211, which confidentially connects families to accessible health and human services in their area, helping to reduce stigma.

RECOMMENDATION #3

North Carolina Early Childhood Foundation, Positive Childhood Alliance NC, MomsRising NC, and NC Child should continue the development and expansion of public awareness campaigns that focus on the role of economic supports in promoting positive childhood experience (PCEs), preventing adverse childhood experiences (ACEs), and fostering financial stability.

See Recommendation 5.1 in the Appendix for the original recommendation.

Strategy 1

The expanded campaign should highlight the direct impact of financial stability on child and family well-being, with a clear call for actionable policy solutions that strengthen financial resources and economic supports for families.

CONTEXT

New and expanded public awareness campaigns should increase understanding of how financial supports, such as child care subsidies, food assistance, and housing vouchers and assistance, directly impact family well-being and child development. Awareness campaigns can also inform families about how economic stability can reduce stress, improve parenting capacity, and enhance children's opportunities for growth. By guiding families toward concrete supports that stabilize their finances, their basic needs can be met, allowing them to invest in long-term well-being.

North Carolina Early Childhood Foundation's First 2,000 Days initiative emphasizes the critical importance of a child's early years—from birth to kindergarten, approximately 2,000 days—in shaping their future health, learning, and behavior. This campaign highlights how early experiences impact all North Carolinians, fostering widespread community engagement. It also provides open-source educational materials and toolkits, available in both English and Spanish, to assist communities across North Carolina in initiating their own advocacy efforts. These resources include presentations, brochures, and engagement tools tailored for outreach to various sectors, such as faith communities and businesses.³³

As the campaigns are being developed and implemented, organizations should prioritize the continued and meaningful inclusion of parent and family perspectives. These policy changes can create systemic pathways to economic stability, reducing barriers for families and directly supporting positive childhood experiences. By integrating data and stories gathered through the campaigns, these organizations can amplify the evidence-based case for legislative and budgetary actions that address disparities and foster equitable access to economic supports. Collaboration with policymakers and advocacy groups ensures that the

campaign leads to tangible improvements in family well-being through lasting structural change.

One example of such a campaign is the national organization Prevent Child Abuse. Their 2022 policy toolkit emphasizes the critical role of economic policies in preventing child abuse and neglect. Developed in collaboration with the organization's Policy Affinity Group, the toolkit examines 3 primary economic support strategies: state tax credits, livable wages, and paid family and medical leave. In addition to policy analyses, the toolkit offers resources such as social media images and talking points to assist in effectively communicating the importance of financial supports to prevent child maltreatment.³⁴

WHY DOES THE UPDATE COMMITTEE RECOMMEND THIS STRATEGY?

Nearly 85% of families investigated by Child Protective Services across the United States have incomes below 200% of the federal poverty line; low-income families who experience financial hardship are 3 times more likely to be involved in a child neglect investigation.³⁵

Financially stable families are more likely to be able to provide safe and nurturing environments, which are key to creating PCEs. By linking financial stability to outcomes, the campaigns can highlight the need for comprehensive, actionable policy solutions to address gaps in existing supports. Public campaigns that normalize the use of financial support help to reduce stigma and encourage eligible families to seek help, increasing program participation.

DESIRED RESULT

To increase public awareness and policy actions that strengthen financial resources and financial supports for families, fostering stability and improved well-being for children and caregivers.

ALIGNMENT ACROSS NC

- **The Early Childhood Action Plan (ECAP)** provides a framework for coordinated action across public and private sectors throughout North Carolina. One of its goals is to expand the reach of nutrition benefit programs such as the Supplemental Nutrition Assistance Program (SNAP) by identifying people who are eligible and encouraging them to apply for the programs, as well as others they may qualify for, such as the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC).³⁶
- **NC Tax Credit Coalition** is working to expand availability and access to tax credits that support families, including the federal Earned Income Tax Credit and Child Tax Credit and the creation of a refundable state EITC and Child Tax Credit.
- **The Wicked Problems in Child Welfare Coalition** is working across organizations to increase family financial stability to prevent child welfare system involvement, particularly for neglect cases that are rooted in poverty.
- **The Think Babies NC Alliance** has a policy agenda with a strong focus on family financial stability, economic mobility, and other supports for families.
- **The State Health Improvement Plan (NC SHIP)** aligns with a public awareness campaign focused on promoting economic supports, PCEs, and preventing ACEs by prioritizing social drivers of health, equity, and early childhood well-being.

Strategy 2

Philanthropy should coordinate with state agencies and non-governmental organizations (NGOs) to communicate the importance of financial supports and incorporate or expand the importance of financial supports into their existing programs.

CONTEXT

Many families eligible for programs such as child care subsidies, food assistance, and housing support either lack awareness of these resources or face barriers to enrollment and retention. By coordinating with state agencies and NGOs, philanthropy can help bridge these gaps by funding outreach efforts, benefit navigators, and research on best practices to improve access and utilization. Additionally, integrating financial supports into health, education, and early childhood initiatives can promote a more comprehensive approach to family well-being, ensuring that parents and caregivers have the stability needed to foster PCEs.

Economic hardship is a key driver of stress, neglect, and other risk factors for ACEs.³⁷ Families with limited financial resources often struggle to meet basic needs such as housing, food, and child care, which undermines financial and overall stability and well-being. They also rarely have access to tax credits like the Earned Income Tax Credit and Child Tax Credit, which could increase take-home pay and make it easier to make ends meet.

WHY DOES THE UPDATE COMMITTEE RECOMMEND THIS STRATEGY?

Coordinating economic supports with existing programs avoids duplication of efforts, ensures resources are used effectively, and enhances the impact of interventions by aligning goals, addressing gaps in service delivery, and fostering collaboration across sectors to better meet the needs of families and children.

The Family First Prevention Services Act, enacted in 2018, is federal legislation that aims to shift the focus of child welfare systems to proactive prevention efforts that help families address challenges such as mental health and substance use.³⁸ Recent Family First guidance now allows administrative claims to be made for costs of child care, transportation, peer navigation and other concrete supports as a part of case management to improve a family's access to an approved service under the state's Family First Prevention Plan. In North Carolina, philanthropy can play a critical role by providing resources to expand and enhance these financial supports within existing programs, such as child care subsidies or peer navigation initiatives.

Philanthropic support can also be instrumental in funding benefit navigators, who help families access, understand, and maximize available economic supports such as SNAP, WIC, Medicaid, child care subsidies, and housing assistance. These navigators serve as trusted community resources, ensuring that families can overcome bureaucratic barriers, reduce administrative burdens, and receive timely assistance. By investing in benefit navigators, philanthropy can help bridge gaps in service delivery, increase program participation, and ultimately strengthen family financial stability and child well-being in North Carolina.

DESIRED RESULT

To leverage philanthropic support to enhance and expand child-focused family financial stability policies implemented by the state of North Carolina.

ALIGNMENT ACROSS NC

- **The Duke Endowment** supports child and family well-being by funding statewide intermediary organizations that unite partner agencies around shared community needs.
- **Invest Early NC** is a collaborative of early childhood funders focused on outcomes for children and families prenatal to age 8, ensuring they are healthy, safe, nurtured, learning, and ready to succeed by the end of third grade.
- **Kate B. Reynolds Charitable Trust** funds ACEs and resilience work.
- **Z. Smith Reynolds Foundation** funds economic security initiatives.
- **MomsRising NC** champions state and federal policies that expand access to child care subsidies, paid family and medical leave, and food security programs through tools such as storytelling to amplify the real-life impact of financial instability on families.
- **The NC Justice Center** works to reduce poverty and promote economic mobility through policy analysis. Their research helps inform state agencies, NGOs, and philanthropy on best practices for integrating financial supports into child- and family-serving programs across North Carolina.

THE ROLE OF FAMILY ENGAGEMENT IN PROMOTING POSITIVE CHILDHOOD EXPERIENCES

Family engagement is an active and collaborative partnership between families and the systems, institutions, and communities that impact their lives. In the context of child health and development, family engagement involves fostering meaningful participation of parents, caregivers, and extended family members to create an environment where children can thrive.³⁹ Family engagement is integral to promoting positive childhood experiences (PCEs) by shaping children's values, behaviors, and emotional well-being through supportive, nurturing, and interactive relationships.

Parents and family members play an essential role in shaping the social norms, attitudes, and behaviors of children. This influence extends beyond the home, affecting how children perceive and interact with the broader world. Systemic changes—such as family-friendly workplace policies that support work-life balance, access to quality child care, and inclusive community programs—are essential for enabling meaningful engagement at the family and individual levels.⁴⁰ These systemic supports allow families to better model positive behavior, provide emotional and social support, set expectations and boundaries, and engage in educational and community activities.

What Does Engagement Look Like?

- 1. Modeling Behavior:** Children often learn by observing the actions of those around them. When parents and other caregivers model healthy relationships, emotional regulation, and effective communication, children develop essential social and emotional skills.
- 2. Emotional and Social Support:** Family members who provide consistent emotional and social support foster resilience, self-esteem, and a sense of security in children. This foundation enables children to develop healthy coping mechanisms and build strong relationships with others.
- 3. Setting Expectations and Boundaries:** Families help shape children's understanding of acceptable behavior by setting clear expectations and boundaries. This guidance provides children with structure, promotes self-discipline, and supports their overall development.
- 4. Engagement in Education:** Parents who actively participate in their children's education—through attending school events, helping with homework, or maintaining communication with teachers—positively influence academic outcomes. Studies show that parental involvement is associated with improved grades, better attendance, and higher levels of motivation among students.^{41,42}
- 5. Impact on Community Norms:** Family engagement also contributes to shaping community norms. When families actively participate in community activities and advocate for policies that benefit children, they create environments that prioritize child health and well-being.

THE ROLE OF FATHERS AND CO-PARENTS

While family engagement often focuses on maternal involvement, research underscores the importance of father and co-parent engagement in child health and development.⁴³ Strengthening father^a and co-parent involvement is critical to fostering positive childhood experiences. Fathers who are actively engaged in their children's lives contribute to better emotional, cognitive, and social outcomes for their children. They provide unique perspectives, additional sources of support, and shared responsibilities that enrich the caregiving experience. The North Carolina Perinatal Health Strategic Plan underscores the importance of strengthening father and co-parent involvement to improve family dynamics and child health outcomes.

Connecting Systemic and Individual-Level Changes

Effective family engagement requires systemic supports that enable families to participate fully in their children's lives. Policies that provide paid family leave, access to affordable, high-quality child care, and parent education programs empower families to balance work and caregiving responsibilities. These systemic changes create conditions where families can focus on fostering positive experiences and shaping the future of their children.

Family engagement is a cornerstone of healthy childhood development and positive health outcomes. By fostering strong relationships, modeling positive behavior, and advocating for systemic changes, families and communities can work together to create environments where children thrive. Strengthening father and co-parent involvement, alongside broader support for family engagement, ensures that all children have the opportunity to grow up in nurturing and supportive environments that promote their well-being and success.

^a While this point refers specifically to fathers because of continued efforts to achieve greater involvement of men in reproductive health care and child care, outreach efforts should be inclusive of co-parents and caregivers regardless of gender identity.

THE ROLE OF INFANT AND EARLY CHILDHOOD HOME VISITING PROGRAMS IN PROMOTING CHILD HEALTH AND FAMILY WELL-BEING

What is Home Visiting?

Home visiting programs are evidence-based programs where trained professionals visit families in their homes to provide support, education, and resources to promote child health, development, and overall family well-being. These programs are particularly beneficial for families facing socioeconomic challenges, new parenthood, or other circumstances that may impact child-rearing. Home visiting serves as an accessible, personalized intervention that meets families where they are—both physically and in their caregiving journey.⁴⁴

Screening and Early Intervention

One of the key strengths of home visiting programs is the ability to identify and address risk factors early on. Home visitors are trained to screen for issues such as intimate partner violence, mental health conditions, and substance use. Early detection of these challenges enables timely intervention, preventing negative outcomes for children and families.⁴⁵ For example, connecting parents with mental health services or substance use treatment can mitigate the risk of adverse childhood experiences (ACEs), which have long-term impacts on child health and development.

Shifting Social Norms and Promoting Evidence-Based Practices

Home visiting programs also play a crucial role in shifting social norms around parenting and child development. By promoting evidence-based practices, home visitors help families adopt strategies that are proven to benefit children's health and well-being. These practices include:

- **Positive Discipline Techniques:** Encouraging parents to use constructive approaches to discipline, such as setting boundaries and using reinforcement rather than punitive measures.
- **Early Literacy Activities:** Supporting activities like reading aloud to children, which enhances language development and literacy skills.
- **Breastfeeding Support:** Providing guidance and resources to support breastfeeding, which improves maternal and child health outcomes.⁴⁶

By educating families on these practices, home visiting programs foster environments where children can thrive both emotionally and developmentally.

Reducing Parental Stress and Preventing Child Abuse and Neglect

Parental stress is a significant risk factor for child abuse and neglect. Home visiting programs provide both practical and emotional support to parents, helping to alleviate this stress. Through regular visits, home visitors build trusting relationships with families, offering guidance on child-rearing, problem-solving strategies, and access to community resources.⁴⁷ This support strengthens parental confidence and competence, ultimately creating safer and more nurturing home environments.

Additionally, home visiting programs help families build protective factors that reduce the likelihood of abuse and neglect. These protective factors include:

- **Parental Resilience:** Strengthening the ability to cope with challenges.
- **Social Connections:** Encouraging networks of support from friends, family, and community members.
- **Concrete Supports in Times of Need:** Linking families to essential resources like food, housing, and health care.
- **Knowledge of Parenting and Child Development:** Enhancing understanding of children's needs and behaviors.

Creating a Trauma-Informed Home Visiting Program

Home visiting programs frequently serve families with the greatest needs; for example, an estimated 70% of women surveyed in 1 home visiting program had experienced at least some form of violent trauma. Home visiting can play an important role in mitigating the transmission of intergenerational trauma by helping parents and caregivers of children build positive attachments with their children.⁴⁸ Integrating a trauma-informed perspective into a home visiting program involves:

- Screening for trauma exposure and related symptoms.
- Using culturally appropriate, evidence-based treatment for trauma stress.
- Making resources about trauma exposure and its impact available.
- Engaging in efforts to strengthen protective factors of children and children.

For more information on trauma-informed practices, visit chapter 5 of this report.

Supporting Statewide Efforts and Recommendations

The importance of home visiting is underscored by statewide initiatives such as North Carolina's Perinatal Health Strategic Plan. The plan recommends strengthening the home visiting system to improve maternal and child health outcomes.⁴⁹ This recommendation aligns with broader goals to support families during critical periods of child development and to reduce health disparities.

For example, programs highlighted by the Positive Childhood Alliance of North Carolina showcase how home visiting has successfully supported families by providing essential resources and guidance.⁴⁴ These stories of success emphasize the tangible benefits of home visiting programs in improving family well-being and child health outcomes.

Home visiting programs are a vital component of child health and family support systems. By offering early intervention, promoting evidence-based parenting practices, and reducing parental stress, these programs help build resilient families and healthy communities. As North Carolina continues to strengthen its home visiting infrastructure, the potential to improve child health outcomes and prevent adverse experiences grows, ensuring more children experience the supportive and nurturing environments they need to thrive.

BREAKING THE CYCLE:

Understanding the Impact of Incarceration and ACEs in North Carolina

The relationship between incarceration and adverse childhood experiences (ACEs) is twofold: parental incarceration serves as a deeply impactful ACE for children, while children and youth who experience multiple ACEs are at a significantly higher risk of incarceration later in life, perpetuating cycles of trauma and inequality. Parental incarceration is a significant ACE that can profoundly shape a child's life, often leading to long-term emotional, behavioral, and socioeconomic challenges. In North Carolina, thousands of children are impacted by the incarceration of a parent each year, facing disruptions in family stability, financial security, and access to supportive relationships. At the same time, children and youth who experience multiple ACEs are disproportionately represented in the criminal justice system, perpetuating a cycle of trauma and systemic inequity.

Childhood trauma has been linked to an increased risk of contact with the justice system, particularly among adolescents. Many studies have shown that an estimated 25%–30% of incarcerated youth met the criteria for post-traumatic stress disorder,⁵⁰ demonstrating the burden of adversity many experienced before entering the justice system.

A child with an ACE score of 4 or higher is **70%** more likely to be an offender or a victim of a violent crime.⁵¹

90% of juvenile offenders in the United States have experienced trauma in childhood, and up to **30%** of justice-involved children met the criteria for post-traumatic stress disorder due to experienced trauma.⁵²

A January 2024 analysis by the North Carolina Department of Adult Corrections found that approximately one-third of the state's overall prison population are parents of children younger than 18 years old.⁵³ Nearly 21,000 children across North Carolina have a parent who is imprisoned. This figure does not include parents incarcerated in county-run jails, where short-term sentences or pretrial detentions often add to the instability and trauma experienced by children.⁵³ Incarceration can destabilize family structures and may lead to health disparities in substance use, mental illness, and chronic disease⁵⁰ among the children of incarcerated adults.

More than 8% of children in North Carolina have experienced parental incarceration.

<https://ncsecondchance.org/about/#:~:text=8%20percent%20of%20the%20children,1%20in%2057%20White%20children.>

Nationwide, many incarcerated parents themselves grew up in households facing challenges, which illustrates the intergenerational nature of the effects of trauma and adversity:

- 17% spent time in foster care.
- 43% came from families that received public assistance before they turned 18.
- 19% lived in public housing before they turned 18.
- 11% were homeless at some point before age 18.
- 32% had (or currently have) an incarcerated parent of their own.⁵⁴

Parental incarceration creates significant burdens on families. Contact with the justice system often increases family instability, unemployment, and socioeconomic disadvantage.⁵⁵ Children also face an increased risk of emotional and mental health challenges, such as antisocial behavior, psychological strain, and suspension or expulsion from school.⁵⁶ Addressing these interlinked issues requires a comprehensive focus on prevention, intervention, and systemic solutions that support families. This includes providing additional resources for children in the home, assisting with post-incarceration re-entry, reducing the stigma associated with accessing support services and treatment, and breaking the cycle of adversity and incarceration in North Carolina.

One systemic solution example includes the North Carolina ACEs-Informed Courts Project, which is an initiative designed to integrate knowledge of ACEs into the judicial system to improve outcomes for children and families involved in the court system. This project aimed to educate and equip judges, attorneys, court staff, and other justice system stakeholders with the tools to recognize and address the impact of ACEs in legal proceedings, particularly those involving child welfare, juvenile justice, and family law. This project emphasized how trauma-informed practices can reduce re-traumatization and improve decision-making in court cases⁵² and improve outcomes for children and families.

Among the accomplishments of the project was the creation of an ACEs-informed bench card, which was distributed to North Carolina prosecutors and judges. The bench card contains a compilation of ACEs information for officials and staff to use in their interactions with court visitors and participants of the court. It includes keys to a trauma-informed courtroom, suggested courtroom procedures to avoid furthering trauma, and practices to acknowledge trauma.⁵⁷ A 2021 pilot trauma education course for a small group of North Carolina district court judges found that judges wanted content that was practical, incorporated research, and included broad messaging about what it means to be a judge.⁵⁸

Initiatives like the ACEs-Informed Courts Project demonstrate the power of integrating trauma-informed practices into institutional systems, offering a pathway to mitigate the long-term impacts of ACEs and improve outcomes for children and families. By investing in policies and programs that support families, address root causes of adversity, and reduce barriers to accessing support, North Carolina can lead the way in fostering resilience, promoting equity, and building a future where children and families thrive beyond the shadow of incarceration.

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3

CHAPTER THREE Financial Stability and Economic Mobility

- 46** **RECOMMENDATION 4**
A cross-sector task force should examine factors affecting financial stability for families.
- 50** **RECOMMENDATION 5**
Conduct an economic analysis of the impact of policies such as the Child Tax Credit, Earned Income Tax Credit, and paid leave.
- 53** **RECOMMENDATION 6**
Convene leaders and employers across sectors to identify actions towards establishing family-friendly workplace policies.



Good financial stability refers to a family's ability to consistently meet basic needs, such as housing, food, child care, and medical care, without chronic stress or dependence on emergency assistance.¹ Economic mobility refers to a family's ability to improve their financial situation over time, often through education, employment opportunities, and skill development.² Financial stability and economic mobility are key factors in preventing child maltreatment and promoting the well-being of families.³

The link between poverty and child maltreatment is well documented, with numerous studies highlighting how economic hardship negatively impacts child welfare involvement, family well-being, and the risk of child maltreatment. An increasing number of studies also show the value of economic and concrete supports in stabilizing families and reducing maltreatment.⁴

Economic supports for families include financial resources and policies designed to improve family stability, reduce financial stress, and promote healthier development for children. These supports may include paid family leave, sick leave, child tax credits, child care subsidies or other policies that improve affordability, and food and housing assistance. By easing the financial burdens families face, these resources allow parents to invest time and energy in caregiving, access necessary services, and contribute to stable home environments. Economic supports are proven to reduce poverty-related stressors, enhance children's well-being, and support positive outcomes across health, education, and long-term economic mobility.⁵

In North Carolina, families can access various economic support programs designed to enhance financial stability and economic mobility. Key existing programs include:

- **Food and Nutrition Services (FNS) (also known as SNAP):** a program designed to assist eligible low-income individuals and families in supplementing their food budget. Benefits are provided through an EBT card, which functions like a debit card for purchasing groceries. Benefits are based on several eligibility criteria, such as the number of people in the household and total income.⁶
- **Women, Infants and Children (WIC):** a supplemental nutrition plan for low-income pregnant, postpartum, and breastfeeding people, as well as children up to the age of 5. WIC provides healthy foods, nutrition education, and breastfeeding promotion and support. It is available statewide through county health departments, community and rural health centers, and community action agencies.⁷

- **WorkFirst: North Carolina's Temporary Assistance for Needy Families (TANF)** is also known as WorkFirst. It promotes a strengths-based, family-centered practice approach and provides parents with short-term training to help them become employed. Grandparents, relatives, and legal guardians can receive services and support that prevent children from entering the foster system.⁸
- **Child Care Subsidy:** This program uses state and federal funds to provide subsidized child care services to eligible families. This includes individuals who are working, in school, have a child receiving child protective services, or have a child who has developmental needs.⁹

Financial stability and economic mobility can protect against child maltreatment through:

1. **Reduction of Stressors:** Financially stable households experience less economic stress, which is a known risk factor for child abuse and neglect. Parents under financial strain may struggle to provide consistent, nurturing care.¹⁰
2. **Access to Resources:** Stable finances allow families to access essential resources like health care, child care, and education, reducing neglect linked to lack of access to necessities.¹¹
3. **Improved Parenting Skills:** Parents with financial stability are better positioned to focus on positive parenting practices, leading to healthier family dynamics. Strengthened Family Resilience: Families with stable finances and pathways to upward mobility are more resilient to challenges, decreasing the likelihood of abuse or neglect in times of crisis.
4. **Improved Social Drivers of Health:** Financial and economic well-being address underlying social drivers of health (e.g., housing, education, access to care), fostering environments that support children's growth and safety.¹⁰

In 2022:

- **9% of North Carolinians** were considered to be in extreme poverty.^{a,12}
- **25.1% of jobs** in North Carolina are considered to be low-wage.¹²
- The **state's minimum wage is \$7.25**, with the last increase in 2008.⁵
- Adults and children **receiving TANF: 79,643**^{b,12}
- **61.7%** of women and children **receiving WIC**^{c,12}
- Households spending **more than 50% of their income** on housing: 315,000¹²
- **Child poverty rate:** 20%

a Extreme poverty is living at less than half of the poverty line, or \$12,500 annually for a family of 4.¹³

b In 2019–2020, for every 100 families living in poverty in North Carolina, only 5 received TANF.¹⁴

c This is about 61.7% of those eligible for the benefit.¹⁵

REDUCING CHILD POVERTY:

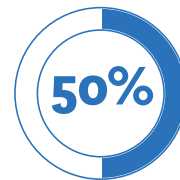
Impacts on Child Protective Services (CPS) Involvement

A family's income status is a significant predictor of involvement with the child welfare system. Within the child welfare system, families below the poverty line are 3 times more likely to be substantiated for child maltreatment. However, more than 60% of the maltreatment determinations are for neglect without abuse.¹⁶

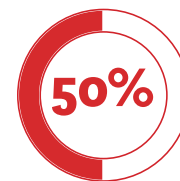
Families of color are also disproportionately more likely to be involved in the child welfare system. This overrepresentation is often linked to systemic inequities, including historical and ongoing discrimination in housing, employment, and access to social services.¹⁶ It is also linked to the way professionals are prepared for mandatory reporting; instead of providing connections to concrete supports, professionals are often encouraged to file a report if they face any doubts about whether a child is experiencing abuse or neglect. This has led to overreporting and more families of color entering the child welfare system.¹⁷

The child welfare system is not designed to address the impact of poverty on families. While it focuses on protecting children from abuse and neglect, the child welfare system often lacks the tools and resources needed to tackle the root causes of child neglect, which are frequently tied to economic hardship. Families struggling with poverty may face challenges such as housing instability, food insecurity, and limited access to child care, which can lead to involvement with the system despite a lack of intentional harm. Without comprehensive supports available to address these issues, the system may inadvertently penalize families for conditions beyond their control; for example, decreased access to economic supports such as TANF has been associated with increased child welfare involvement.¹⁸ This underscores the importance of integrating broader social services and economic supports into child welfare strategies to better meet the needs of vulnerable families.

Working mothers who face instability in child care arrangements due to low income are at an increased risk for self-reported aggression toward their children¹⁸ due to factors such as parental stress, which can negatively influence parenting behaviors.¹⁹ Economic supports can help alleviate issues such as parental stress that ultimately have a negative influence on parenting behaviors. When families receive sufficient economic supports and have the resources to meet their basic needs, parents are better able to provide increased nurturing and supportive parenting, lowering the risk of child welfare involvement.¹⁸



Almost 50% of those who become poor are out of poverty a year later



But more than 50% of those who previously left poverty will return to poverty within 5 years

<https://www.chapinhall.org/wp-content/uploads/Economic-Supports-deck.pdf>

The following recommendations bridge the gap between the importance of economic mobility and financial stability and the actions North Carolina can take to turn evidence-driven data into concrete steps to support the state's children and families. By leveraging insights, these strategies aim to create targeted interventions that address barriers to financial security. Strengthening economic supports requires a multi-sector approach that aligns public policies, private investments, and community-driven solutions to ensure that families have the resources they need to thrive. The following strategies outline data-informed approaches to expanding financial stability initiatives and fostering long-term economic mobility across the state.

RECOMMENDATION #4

The Institute for Emerging Issues should establish a cross-sector task force to examine the factors affecting financial stability for families in North Carolina, with the goal of identifying actionable strategies to enhance financial resilience and create pathways to affordable, safe and stable housing for families.

Strategy 1

The task force should include Positive Childhood Alliance NC and MDC, as well as organizations such as United Way, The North Carolina Housing Coalition, and the North Carolina Association of Community Development Corporations. This task force should identify strategies to improve financial resilience, which can lead to affordable, safe, and stable housing for families.

CONTEXT

The Institute for Emerging Issues (IEI) is a nonpartisan, public policy organization that connects people and businesses across sectors to address emerging issues throughout North Carolina.²⁰ IEI would work across sectors such as education, housing, faith-based organizations, and social services to recommend policy strategies and initiatives to support families in need of stable housing.

MDC is a non-profit organization that provides strategic support to accelerate equitable change through research and the collection of economic and demographic data across the South. Focus areas include education, rural prosperity and investment, equity centered leadership and philanthropy, and economic security and mobility.²¹

Financial resilience refers to an individual's, family's, or community's ability to withstand, recover from, and adapt to financial upheavals such as job loss, unexpected medical expenses, economic downturns, or natural disasters. It encompasses both short-term financial stability and long-term economic mobility, ensuring that people can maintain their well-being even in times of financial hardship. Key components of financial resilience include savings and emergency funds, access to financial services, affordable living costs, and social and financial supports. Financial resilience helps individuals and families avoid cycles of debt, housing instability, food insecurity, and economic stress, which can negatively impact health, education, and overall well-being.

Healthy North Carolina 2030, a statewide plan to achieve better health for North Carolinians, aims to decrease the percentage of North Carolina households living with severe housing problems from 16.1% in 2019 to 14.0% in 2030.²² Severe housing problems include lack of complete kitchen facilities, lack of plumbing facilities, overcrowding, or severely cost-burdened occupants.²³ North Carolina currently ranks 26th in terms of severe housing problems.²³ Levers for change identified by Healthy North Carolina 2030 included improving access to resources for affordable housing and increasing living wage employment opportunities.

Affordable, safe, and stable housing is defined by specific criteria that ensure residents have access to secure, cost-effective, and consistent living environments. These include:

- **Safe Housing:** This includes established quality standards and protections for residents' health and safety, such as sanitary facilities, a kitchen area, adequate heating and cooling systems, sufficient lighting and electrical outlets, and structural integrity.²⁴
- **Affordable Housing:** Affordable housing is typically defined as housing that costs no more than 30% of a household's gross income.²⁵
- **Stable Housing:** This refers to consistent and secure living arrangements without the threat of displacement. It involves legal protection against arbitrary eviction, housing costs that are affordable, and access to employment opportunities that support long-term residency.

Housing stress such as homelessness, multiple moves, and inadequate housing is associated with an increased likelihood of child welfare involvement; types of involvement may include self-reported child maltreatment, child protective services investigations, or foster care placement.¹⁸

Infants in families experiencing homelessness are **more likely to develop physical health problems**, which often persist for several years.



Over **1 million** households in North Carolina are spending at least **one-third** of their income on housing costs.

<https://carolinaacross100.unc.edu/a-data-driven-look-at-local-housing-challenges-in-north-carolina/>

Renters, who account for over 30% of North Carolina’s population, are disproportionately affected by unaffordable housing. Renters are more than twice as likely as homeowners to experience a housing cost burden—spending 30% or more of their household income on housing expenses—with 46% of renters facing this issue compared to 20% of homeowners.²⁶

In North Carolina, 87% of very low-income renter households face a cost burden; in 2021, 63% of households with children experienced cost burden.²⁶ Only Texas and Ohio have experienced larger decreases than North Carolina in the number of low-rent units available in the state.²⁷ As of 2023, minimum wage renters in North Carolina would need to work 83 hours a week to afford a studio apartment.²⁸

“After paying for housing and utilities, the average North Carolina resident earning less than **\$30,000** is left with less than **\$450** per month to cover essential household expenses such as food, health care, transportation, and child care.”

<https://carolinaacross100.unc.edu/a-data-driven-look-at-local-housing-challenges-in-north-carolina/>

WHY DOES THE UPDATE COMMITTEE RECOMMEND THIS STRATEGY?

Housing security is an effective prevention strategy for ACEs; safe, stable, and affordable housing creates a foundation for family well-being and reduces stressors that contribute to ACEs.²⁹ Stable housing ensures families have a consistent and safe place to live, reducing disruptions to children’s lives, such as frequent school changes, social isolation, or unsafe living environments. Affordable housing reduces economic strain, allowing families to allocate resources toward essential needs such as food, health care, and child care, lowering the likelihood of ACEs related to poverty.³⁰

DESIRED RESULT

To reduce housing cost burdens and promote stable, affordable housing for families, fostering environments that support financial stability and prevent ACEs.

ALIGNMENT ACROSS NC

- **The North Carolina Housing Finance Agency** aims to foster an inclusive environment that meets the housing needs of all North Carolinians. It works collaboratively with key state and local agencies as well as nonprofit housing groups and community service providers.³¹
- **The North Carolina Housing Coalition** seeks to provide relevant research, data, and training on housing needs to critical stakeholders across the state. The Coalition also works to advocate for just and affordable housing.³²
- **Durham Choice** is a partnership between the Durham Housing Authority and the City of Durham to expand affordable housing opportunities in Durham. It is supported by a \$40 million Choice Neighborhoods Implementation Grant from the U.S. Department of Housing and Urban Development.³³
- **Carolina Across 100** launched its 18 month “Our State, Our Home” initiative in January 2025. This program is designed to help communities develop capacity and implement strategies to address affordable housing in North Carolina.³⁴

Strategy 2

The established task force should use existing research to create a strategy that identifies barriers and solutions to increasing access in areas like employment, lending, and housing.

CONTEXT

Discriminatory policies such as redlining,^d segregated schools, exclusionary labor practices, and unequal access to credit have entrenched cycles of poverty and limited wealth-building opportunities for communities of color and low-income families.³⁵ These systemic barriers have not only widened economic disparities but also hindered access to critical resources such as affordable housing, quality education, stable employment, and health care, perpetuating intergenerational inequities and reducing opportunities for upward mobility. Addressing these structural factors is essential for fostering economic security, advancing equity, and building resilient, inclusive communities.

- In North Carolina, the homeownership rate for White households is 75%, compared to 47% for Black households.³⁶
- Areas historically redlined in North Carolina continue to face lower property values, reduced investment, and higher concentrations of poverty, perpetuating economic insecurity.³⁷ Minority applicants in North Carolina are more likely to be denied mortgages or receive high-interest loans, perpetuating wealth gaps and limiting economic security.³⁸

WHY DOES THE UPDATE COMMITTEE RECOMMEND THIS STRATEGY?

Barriers to accessing employment, lending, and housing contribute to economic instability, which can negatively impact families and communities. By leveraging existing research, the task force can develop targeted solutions that address disparities, promote equitable access to resources, and support economic mobility. Addressing these structural issues is particularly critical for historically marginalized populations, who often face higher rates of discrimination and limited opportunities. Unfair housing practices are closely linked to adverse childhood experiences (ACEs) because housing instability, discrimination, and inadequate living conditions create environments that increase stress, expose families to trauma, and undermine a child's sense of safety and stability.⁴⁰

DESIRED RESULT

To ensure access to safe, stable, and affordable housing, reducing the risk of ACEs by fostering secure and supportive environments that promote family well-being and resilience.

ALIGNMENT ACROSS NC

Alignment for this strategy can be found across various sectors and organizations that are actively addressing structural inequities and promoting economic security.

- **North Carolina Department of Commerce** focuses on workforce development and equitable economic growth, addressing employment barriers and promoting opportunities in underserved communities.
- **North Carolina Justice Center** advocates for economic and social justice by addressing systemic inequities in employment, housing, and education.
- **NC Child** focuses on family economic security and child well-being, promoting policies that address disparities in access to resources critical for families.
- **Positive Childhood Alliance (PCANC)** emphasizes the importance of addressing social drivers of health, including economic stability, to prevent adverse childhood outcomes.
- **Legal Aid of North Carolina** provides crucial support to North Carolinians facing housing issues by offering free legal services, advocacy, and education.
- **Carolina Across 100** launched its 18 month “Our State, Our Home” initiative in January 2025. This program is designed to help communities develop capacity and implement strategies to address affordable housing in North Carolina.
- **Healthy Opportunities Pilots (HOP)** includes housing resources aimed at addressing housing instability and unsafe living conditions, which are key social drivers of health. By providing support such as rental assistance, home remediation, and housing navigation, HOP aims to improve health outcomes and reduce health care costs for Medicaid beneficiaries in North Carolina.

^d Redlining is the systemic practice of denying people access to credit because of where they live, even if they qualify for the loans. Historically, lenders redlined urban and/or Black populated neighborhoods in particular. In 1968, the Fair Housing Act outlawed racially motivated redlining.³⁹

Strategy 3

Philanthropic organizations should provide funding for this task force as well as sustainable funding for select strategies identified through the task force's work.

CONTEXT

The task force is expected to conduct a comprehensive analysis of the economic barriers affecting North Carolina families, including gaps in access to affordable housing, lending opportunities, and employment pathways. This work will involve gathering and analyzing data, identifying best practices, and developing policy recommendations that can lead to sustainable solutions. Additionally, the task force will engage stakeholders across sectors—including community-based organizations, businesses, policymakers, and researchers—to ensure that strategies are practical, scalable, and responsive to community needs.

Philanthropic funding is essential not only for supporting the task force's initial research and convening efforts but also for ensuring that its recommendations are implemented effectively. By investing in capacity-building efforts, pilot programs, and scalable interventions, philanthropy can help advance policy recommendations, workforce development initiatives, and financial inclusion programs that create long-term economic stability for North Carolina families. Sustainable funding is especially important for ensuring that the most effective strategies identified through the task force are not just conceptualized but put into practice with measurable impact.

WHY DOES THE UPDATE COMMITTEE RECOMMEND THIS STRATEGY?

Philanthropic organizations play a critical role in funding innovative, community-driven solutions that address systemic challenges like financial resilience and housing stability. Unlike public funding, which may be constrained by legislative cycles and competing priorities, philanthropic support can provide the flexibility needed to pilot new initiatives, invest in long-term capacity building, and sustain impactful programs. Additionally, philanthropic organizations have a vested interest in improving economic mobility and reducing disparities, aligning with the task force's goals of creating pathways to financial stability and safe, affordable housing for families across North Carolina. Their involvement can also help leverage additional funding from public and private sources, ensuring the sustainability of the task force's work and expanding its reach.

DESIRED RESULT

To ensure sustained resources for research, collaboration, and implementation of effective strategies that enhance financial resilience and expand access to affordable, safe, and stable housing for families in North Carolina.

ALIGNMENT ACROSS NC

- **The North Carolina Housing Financing Agency** has leveraged public funds with private investments to provide safe, affordable housing opportunities.
- **The North Carolina Justice Center** advocates for increased investment in the NC Housing Trust Fund to finance the construction and rehabilitation of affordable housing.
- **The North Carolina Housing Coalition** unites organizations such as AARP and Habitat for Humanity to support affordable housing initiatives across the state.
- **The Z. Smith Reynolds Foundation** has funded projects aimed at improving economic security and housing for families across the state.
- **Dogwood Health Trust** invests in initiatives that address social drivers of health, including economic stability and housing in Western North Carolina. Their funding supports programs that create affordable housing options and promote economic development to enhance financial resilience.

RECOMMENDATION #5

The North Carolina Budget & Tax Center should conduct an economic analysis of the impact of policies including the Child Tax Credit, the commencement of a state refundable Earned Income Tax Credit (EITC), and paid leave on the financial stability and economic mobility of children and families. This analysis should identify disparities in how these policies affect different income levels, family structures, and historically marginalized populations.

See Recommendation 6.3 in the Appendix for the original recommendation.

Strategy 1

The North Carolina Budget & Tax Center should ensure disaggregated data related to child and family outcomes by race and ethnicity, as well as by county and rural/urban status, when possible.

CONTEXT

Aggregated data are data that are combined or summarized, often at the group, regional, or population level, to present an overall picture of impact. It is useful for providing broad overviews, trends, or summaries. However, it can mask disparities or variations within subgroups, making it less effective for identifying specific challenges or targeting interventions. Disaggregated data, however, are broken down into specific subgroups, such as by ethnicity, race, gender, income level, or geographic location, to provide a more detailed analysis. It is essential for equity-focused work and can inform targeted solutions.

Prioritizing the collection and analysis of disaggregated data will enhance the understanding of how disparities affect access to resources and services, allowing for targeted interventions that address the unique needs of diverse populations.

Disaggregating data by race, ethnicity, and geographic location allows policymakers and advocates to:

- **Identify disparities:** Aggregated data can mask disparities in outcomes. Disaggregated data highlight the unique challenges faced by marginalized racial and ethnic groups, as well as rural and urban communities.
- **Address systemic barriers:** Structural racism and geographic disparities have contributed to unequal access to resources. Disaggregating data help identify the impact of these systemic barriers and inform strategies to break down these barriers.

WHY DOES THE UPDATE COMMITTEE RECOMMEND THIS STRATEGY?

Aggregated data does not often allow for a clear understanding of the disparities experienced by specific racial, ethnic, geographic, or socio-economic groups. Disaggregating data ensures that these inequities are identified and addressed; understanding disparities allows for the development of tailored strategies that directly address the unique needs of specific populations or communities.

DESIRED RESULT

To create a comprehensive, equity-focused data framework that identifies disparities in child and family outcomes across race, ethnicity, and geographic regions, enabling targeted policies and programs to address systemic inequities.

ALIGNMENT ACROSS NC

- **Cape Fear Collective** is a non-profit organization based in North Carolina that focuses on leveraging data, community partnerships, and innovative strategies to drive social and economic progress in the Cape Fear region and across the state. It works to empower communities by addressing systemic inequities and fostering sustainable, inclusive growth.
- **NC Child data cards** provide accessible, county-specific data on various indicators of child well-being. These cards are designed to help policymakers, advocates, and community leaders understand the state of children's health, education, safety, and economic security across the state.

Strategy 2

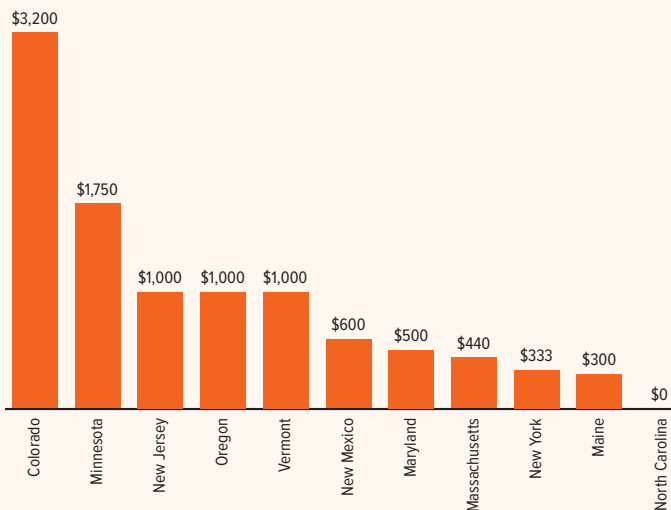
Strategy 1 should include a detailed analysis of the benefits of Child Tax Credit (CTC) and Earned Income Tax Credit (EITC) in North Carolina. It should also include a comparison between these programs and those in other states to evaluate their effectiveness in promoting financial stability for families and reducing child welfare system involvement. This analysis should identify gaps in eligibility, benefit amounts, and accessibility, highlighting best practices from states with stronger or more equitable tax credits.

CONTEXT

The Child Tax Credit (CTC) is a credit available to taxpayers for each dependent child who is qualified for the federal Child Tax Credit. A state CTC increases income by reducing the amount of state income taxes an eligible family owes. Fourteen states currently have a state CTC,⁴¹ ten of which offer refundable credits. A refundable credit allows families with incomes too low to have an income tax liability to still receive the full value of the credit.⁴¹

Figure 1.
State Child Tax Credits are delivering a boost to families with kids across the nation

Max state credit per child under 6 for select states, Tax Year 2024



Note. This chart displays data for the 10 states who had a refundable, per-child CTC for Tax Year 2024. In total, 14 states

Source: Center on Budget and Policy Priorities

<https://ncbudget.org/wp-content/uploads/2024/10/2024-CTC-and-cash-report.pdf>

Nearly half of North Carolinian families with children in the household report that **paying for household expenses** is somewhat or very difficult.

<https://ncbudget.org/wp-content/uploads/2024/10/2024-CTC-and-cash-report.pdf>

The federal CTC was first enacted in 1997 and has lifted approximately 2 million children out of poverty each year. During the COVID-19 pandemic, the CTC was temporarily expanded, increasing the maximum to \$3600 per child under 6 and \$3000 per child up to 17. As a result of the expanded benefits, child poverty decreased in North Carolina by more than 40% in 1 year. However, with the expiration of the expanded CTC at the end of 2021, child poverty rates have risen. Nationally, the child poverty rate increased from 5.2% in 2021 to 12.4% in 2022, marking a significant reversal.⁴² In North Carolina, the child poverty rate was 17.2% in 2022, statistically unchanged from 2021. However, this rate remains higher than the national average, indicating persistent challenges in addressing child poverty within the state.⁴³

The Earned Income Tax Credit (EITC) is an economic support for workers with low to moderate incomes. The amount of the credit depends on an eligible recipient's income and number of children. There is a federal program in place, and states can elect to supplement with state-level EITC policies as well.⁴ There are currently 31 states that offer EITC with varying eligibility standards, methods for calculating the credit amount, and refundability.⁴⁴ A refundable EITC has been associated with an 11% decrease in foster care entries compared to states without a state-level EITC. It has also been associated with fewer neglect reports.⁴

See the end of this chapter for more information on the EITC.

A North Carolina CTC worth **\$1900** per child **under 6** years of age and **\$1600** aged **6-17** would lift more than 100,000 children above the poverty line and reduce child poverty by nearly **one-third**.⁴¹



WHY DOES THE UPDATE COMMITTEE RECOMMEND THIS STRATEGY?

In a 2024 poll, it was found that more than 4 out of 5 North Carolinians believe that child tax credits for middle- and low-income families would support well-being in their community.⁴¹ With a state CTC, 65% of all North Carolinian children would benefit,⁴¹ laying a foundation for economic opportunity through which the state's children could thrive. The benefits of tax credits such as the CTC and EITC go beyond reducing the number of children in poverty; these policies have also been linked to increased birth weights, improved health outcomes, and a lower likelihood of child injuries that require medical attention.⁴¹ According to the Centers for Disease Control and Prevention (CDC), boosting a family's financial security can reduce child abuse and neglect.⁵

DESIRED RESULT

To provide a comprehensive analysis that highlights the potential benefits and impacts of implementing Child Tax Credit (CTC) and Earned Income Tax Credit (EITC) programs in North Carolina, using comparisons with other states to identify best practices and inform equitable policy recommendations that promote financial stability for families.

ALIGNMENT ACROSS NC

- **Positive Childhood Alliance NC (PCANC)** works on initiatives that address child well-being, including the role of financial supports like tax credits.
- **MomsRising NC** advocates for family-friendly policies as tools to support working families and engages in advocacy campaigns to promote the expansion of these credits.
- **United Way of North Carolina** provides resources to help families access tax credits and advocates for expanding the EITC and CTC to improve economic outcomes for families across the state.
- **The Child Fatality Task Force** has historically recommended policies that strengthen financial supports for families.

RECOMMENDATION #6

North Carolina Division of Child Development and Early Education, North Carolina Partnership for Children/Smart Start, MomsRising NC, and North Carolina Early Childhood Foundation should lead a coordinated effort to convene leaders and employers across sectors to identify specific actions toward establishing concrete family-friendly workplace policies.

Strategy 1

North Carolina philanthropy and business sectors should provide additional resources to Family Forward NC's work with employers to develop family-friendly workplace policies, improve awareness of these policies' importance, and ultimately enhance access to these policies for more North Carolina families.

CONTEXT

Family Forward NC is an initiative of the North Carolina Early Childhood Foundation (NCECF) and is designed to promote family-friendly workplace practices that support both employers and employees. The initiative focuses on improving health outcomes for children, enhancing family economic security, and strengthening businesses by fostering policies that help parents balance work and family responsibilities.⁴⁵

Key goals include:

- **Improving children's health and well-being** through supporting access to paid leave, flexible schedules, and affordable child care to create stable, healthy environments for children.
- **Supporting economic security for families** by reducing the burden of child care costs and caregiving responsibilities.
- **Strengthening North Carolina's workforce and economy** by encouraging businesses to adopt policies that make them more competitive in attracting and retaining talent.

Family-friendly workplace policies are practices and benefits implemented by employers to support employees in balancing their work and family responsibilities. These policies aim to create a healthier, more productive, and equitable workplace environment while promoting employee well-being and retention. Key examples of policies include paid family and medical leave, sick leave, remote work options, flexible schedules, and child care support.

Currently, there are more than 11,000 North Carolina employers engaged in Family Forward.⁴⁵

Workers of color face less access to family-friendly benefits, which disproportionately affects their financial security and economic mobility.

<https://familyforwardnc.com/families-have-changed/>

In North Carolina, only 3.4% of families have a stay-at-home parent who provides for their child or children full time.⁴⁶

WHY DOES THE UPDATE COMMITTEE RECOMMEND THIS STRATEGY?

This strategy offers the opportunity to leverage the influence and resources of these sectors to expand the adoption of family-friendly workplace policies, which are beneficial for families, businesses, and the broader community.

Businesses with family-friendly policies see lower turnover rates, as employees are more likely to stay with employers who support their caregiving responsibilities. They also tend to see reduced absenteeism and improved employee satisfaction.⁴⁷

DESIRED RESULT

To expand the adoption of family-friendly workplace policies across North Carolina, improving economic security, fostering PCEs, and strengthening the well-being of families and businesses.

ALIGNMENT ACROSS NC

- **The Budget & Tax Center** conducts research and advocates for policies that address the economic stability of families through equitable workplace practices.
- **The North Carolina Chamber** promotes workforce strategies that include family-friendly best practices to attract and retain talent, fostering economic growth.
- **MomsRising NC** advocates for workplace policies that benefit families, such as paid leave and flexible work hours.
- **NC Child** aligns efforts with legislative priorities to improve family-friendly practices statewide.

Strategy 2

NCDHHS should work with local school districts, child care, the North Carolina Department of Public Instruction, and community partners to promote family-friendly environments in schools through flexible policies and expanded support services.

- Public schools should implement family-friendly workplace policies for their staff, such as flexible and paid leave policies and onsite or subsidized child care for staff.
- NC DPI should utilize data from the Teacher Working Conditions Survey and explore other sources to identify a baseline, goals, and progress toward improving employee wellness following the implementation of these policies.

CONTEXT

The Teachers Working Conditions Survey is a statewide survey designed to gather anonymous feedback from educators about their working conditions. Conducted every 2 years, this survey provides valuable insights into various aspects of the school environment and how they affect teaching and learning. Key goals include improving working conditions, providing data to school leaders and policy makers to guide improvements in education policies and practices, and enhancing teacher retention and recruitment.⁴⁸ While this survey is not comprehensive, it provides an excellent baseline.

Schools play a central role in communities, not only as places of learning but also as employers, hubs for family engagement, and key influencers of broader social norms. Public schools are among the largest employers in many North Carolina communities, especially in rural areas.⁴⁹ Implementing family-friendly workplace policies for school staff directly supports a significant portion of the workforce.

In North Carolina, teachers earn a base salary paid by the state, and the starting teacher salary is \$41,000,⁵⁰ with some counties providing additional income supplements. In 2023, the average salary was estimated to be \$57,805, which is what a teacher with 12 years of experience typically makes.⁵¹ Teachers are able to make more money from additional county and state pay by taking on responsibilities such as coaching a sports team or teaching a shortage area subject.⁵⁰

Schools are a natural space for promoting family-friendly environments that strengthen relationships between educators, families, and students, fostering PCEs for children. Implementing such practices can lead to improved school culture and a dedicated community of educators, students, and families.



In 2022–2023, **6.83%** of teachers in NC resigned due to family responsibilities/child care.⁵²

Many school staff members, especially support personnel, face challenges similar to those of families they serve. Family-friendly policies help address these inequities by ensuring all employees have access to essential benefits.

WHY DOES THE UPDATE COMMITTEE RECOMMEND THIS STRATEGY?

Schools in North Carolina and across the country face significant challenges in retaining qualified teachers. Family-friendly workplace policies, such as flexible and paid leave, may help alleviate stress, improve job satisfaction, and reduce turnover rates, particularly in underserved areas. Promoting family-friendly policies can also help foster a culture of care and support. Having teachers and other school staff remain in their positions long-term also encourages an environment that allows students to develop meaningful relationships with a stable adult, thus increasing a PCE opportunity. By using data such as the Teachers Working Conditions Survey, this approach can inform and measure progress to create sustainable improvements in teacher economic mobility and well-being.

DESIRED RESULT

To create family-friendly environments in public schools through flexible policies and expanded support services, improving staff well-being, retention, and productivity while fostering a positive impact on families and communities.

ALIGNMENT ACROSS NC

- North Carolina Area Health Education Centers (NC AHEC)** partners with schools to address teacher wellness and retention, particularly in rural and underserved areas.
- NCPC/Smart Start** collaborates with schools to integrate child care and family-focused supports into educational environments.
- The **Whole School, Whole Community, Whole Child (WSCC)** model is a comprehensive framework developed collaboratively by the Centers for Disease Control and Prevention (CDC) and the Association for Supervision and Curriculum Development (ASCD). This model emphasizes a holistic approach to education and health, recognizing that the well-being of students is integral to their academic success. In North Carolina, the Department of Public Instruction (DPI) has adopted the WSCC model to enhance student health and academic achievement.

Strategy 3

The NC Center on the Workforce for Health should ensure that current collaborations with workforce organizations such as the NC Chamber Foundation, EdNC, and initiatives including Health Talent Alliance incorporate family friendly workplace policies into their overall workforce development discussions and strategies.

CONTEXT

The North Carolina Center on the Workforce for Health is a research and policy center focused on addressing health workforce challenges across the state. It works to analyze workforce trends, develop strategic solutions, and support policy initiatives aimed at strengthening North Carolina's health care workforce, particularly in underserved and rural areas. The center collaborates with state agencies, academic institutions, and industry stakeholders to ensure that North Carolina has a well-trained, sustainable health workforce capable of meeting the state's evolving health care needs.

The North Carolina Health Talent Alliance is a partnership between the NC Chamber Foundation and the North Carolina Center on the Workforce for Health. This collaborative initiative is aimed at addressing health care workforce challenges across North Carolina. It brings together key local stakeholders, including health care providers, academic institutions, government agencies, and community organizations, to develop community-based strategies that ensure a sufficient, skilled, and diverse health care workforce to meet the state's needs.⁵³

North Carolina faces significant workforce shortages in critical sectors such as health care, education, and public services.^{54,55} Family-friendly policies, like flexible schedules and paid leave, directly address the needs of employees, reducing burnout and turnover rates. Organizations that adopt family-friendly policies are more likely to retain skilled workers, particularly in sectors with high turnover, such as health care. Incorporating family-friendly policies into workforce development strategies makes North Carolina more appealing to potential employees, especially younger generations and caregivers seeking work-life balance.

WHY DOES THE UPDATE COMMITTEE RECOMMEND THIS STRATEGY?

By supporting workers in balancing professional and personal responsibilities, family-friendly policies contribute to stronger families, healthier communities, and more resilient economies. In rural areas, where workforce challenges are often more pronounced, integrating these policies can create sustainable employment opportunities and reduce economic disparities. Embedding family-friendly policies in workforce strategies promotes equity by ensuring all workers, especially those in low-income or caregiving roles, have access to supportive environments.

DESIRED RESULT

To ensure that family-friendly workplace policies are integrated into workforce and economic development initiatives, creating environments that support employees' well-being while fostering economic growth and stability.

ALIGNMENT ACROSS NC

- **My Future NC** is a statewide initiative in North Carolina focused on increasing educational attainment and workforce readiness to support long-term economic growth and community development. It is a collaborative partnership involving leaders from education, business, government, and nonprofit sectors who work together to ensure that more North Carolinians are equipped with the skills and credentials needed for the job market.
- **The North Carolina Institute for Emerging Issues (IEI)** is actively involved in promoting family-friendly workplace policies through its "First in Future" initiative, which focuses on enhancing the state's competitiveness by addressing key issues, including workforce development and family well-being.

EARNED INCOME TAX CREDITS

The federal Earned Income Tax Credit (EITC) helps low-income workers and families receive a tax break that can be used to reduce the amount of taxes owed or increase the refund they receive.⁵⁶ The credit is a fixed percentage of earnings, up to a maximum credit amount. By design, the EITC only benefits families who work.⁵⁷ Both parents in a 2-parent household do not need to work to qualify. However, the household must meet the earned income requirement, which means at least 1 parent must have earned income from employment or self-employment during the tax year. EITC is considered 1 of the largest antipoverty programs in the United States,⁵⁸ increasing financial stability to working families while encouraging workforce participation.

State Earned Income Tax Credits (EITC) are government benefits for low-income workers and families. The state EITC is typically calculated as a percentage of the federal EITC,⁵⁹ and each state that offers EITCs makes its own policies regarding credit eligibility, credit value, and whether the credit is refundable or non-refundable. Refundable state EITC credits provide payment even if the credit amount exceeds the worker's owed income tax.⁶⁰ This allows the EITC to offset other state taxes paid, such as sales taxes. A non-refundable EITC provides smaller benefits than a refundable EITC; typically, households in poverty have little or no state income tax liability.⁶⁰ While there is no central national source reporting the average state EITC, a 2021 study found that the average state amount was \$265, which represents over 90% of a 40-hour week's salary at the federal minimum wage of \$7.25 per hour.

Children are typically the primary beneficiaries of the EITC; families with children receive a much larger credit than workers who do not have qualifying children.⁵⁷ With a state EITC, caregivers of children have more opportunity to supply the children with food, clothes, and other necessities.

Currently, 31 states offer a refundable EITC. North Carolina repealed the state EITC in 2014. The state EITC in North Carolina averaged \$116 per year for working low- to moderate-income families earning between \$38,000–\$52,000 per year (based on marital status and number of children), with the greatest benefits for families earning between \$10,000–\$22,000 per year. Nearly 1 million families received the state EITC in 2011. For very low-wage workers, the credit expanded with higher income, aiming to encourage a greater number of work hours. The EITC was most often temporary assistance, with most recipients no longer eligible after 1 to 2 years, or after they had increased work hours and/or wages.⁶¹

Establishing a refundable EITC could offer significant benefits to both state residents and the state as a whole. The EITC provides essential financial assistance to working families, helping them cover basic needs such as housing, food and transportation. With a refundable EITC, North Carolina could take a step to reduce economic hardship for many of its residents, particularly those with children; nearly 1 million low-income families could potentially be lifted out of poverty.⁶²

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4

CHAPTER FOUR Child Care

- 63** **RECOMMENDATION 7**
Enhance child care subsidies to ensure a larger portion of eligible families receive subsidy payments.
- 65** **RECOMMENDATION 8**
Child care workforce salaries should be increased and prioritized.
- 67** **RECOMMENDATION 9**
Enhance opportunities for cross-sector collaboration to improve quality of care.



CHAPTER 4 | CHILD CARE

Child care refers to care and supervision provided to children, typically from birth through early childhood, by individuals other than their parents or guardians. It encompasses a range of settings and arrangements, including:

- **Daycare centers:** Licensed facilities where trained professionals care for children in a group setting.
- **In-home care:** Provided by a nanny, babysitter, or au pair within the child's own home.
- **Family child care:** Offered in the caregiver's home, usually in a smaller, family-like environment. They are permitted to care for 2–8 children at least 4 hours a day.¹
- **Preschool programs:** Structured, educational environments designed for young children, focusing on early learning and social development.

Child care is a significant financial burden for many parents and caregivers of children in North Carolina. Between 1990 and April 2024, the cost of child care and preschool rose 263%, while inflation rose 133%, creating financial hardship for many households across North Carolina.² For single parents, the cost of child care is the most severe, often equating to over 35% of the median monthly income for single mothers and 23% for single fathers.³ This has outpaced inflation, the costs of housing, and grocery expenses.

In North Carolina, 1 in 5 employers cited limited access to child care as a factor contributing to hiring difficulties; there were 100,000 fewer working-age parents of young children in the work force in 2023 compared to 2019.³ North Carolina ranks 36th in labor force participation.⁴

The importance of high-quality care

High-quality child care provides children with nurturing, supportive relationships with trusted caregivers and positive, diverse learning experiences. For children from birth to age 5, these settings play a vital role in preparing them for success.

Studies have shown that children who receive high-quality child care have better socioeconomic and health-related outcomes as adults and suggest that enrollment in quality early childhood education can increase adult earnings between 1.3%–3.5%.⁵

Investing in early childhood education in North Carolina yields substantial returns. Studies indicate that for every dollar invested, society gains up to \$16 in benefits, including increased school and career achievement and reduced costs in remedial education, health, and criminal justice system expenditures.⁶

High-quality child care provides the tools and environment for children to develop socially, emotionally, and cognitively. It supports families by giving parents confidence in their child's well-being and helps build a foundation for long-term success in school and life.

Investments in high-quality, affordable child care have been associated with a:

- 6.4% reduction in child protective services investigations
- 6% reduction in substantiated child maltreatment
- 3.1% reduction in foster care placements
- 11.6% reduction in child fatalities due to maltreatment⁷

The child care coverage gap in North Carolina is **not only a barrier to parents' ability to participate in the labor force, but also a hindrance to the state's potential for growth and success.**⁴



CHILD CARE CRISIS IN NORTH CAROLINA

Since the onset of the COVID-19 pandemic, North Carolina witnessed a loss of more than 200 (5.3%) of its licensed child care programs; the pace of closures doubled between February 2020 and June 2023.⁸ This decline exacerbated existing challenges in accessing affordable and high-quality child care, leaving many families without essential support for early childhood development and working parents without reliable care options. These closures have also created significant gaps in care availability, particularly in rural areas and low-income communities, where access to child care was already limited.⁸

Contributing factors include financial instability among providers, workforce shortages due to low wages and high turnover, and rising operational costs that many facilities have struggled to manage.⁹ “Insufficient child care availability is costing North Carolina \$5.65 billion in lost economic activity each year.”⁴

35% of parents in the past year reported leaving the workforce as a direct result of child care issues.⁴

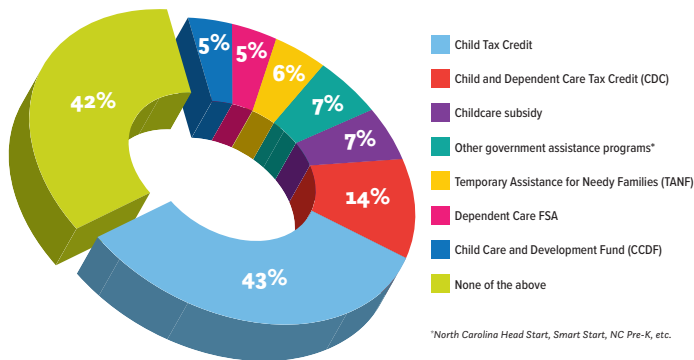
In 2019, **16.8%** of North Carolinians reported that child care issues caused significant disruptions to their employment.^{*4}

Across the state, the average cost for full-time child care at a child care center is more than **\$9000** for an infant and more than **\$7500** for a 4-year-old per year.⁴

The entire state of North Carolina is classified as a child care desert.⁴

*This was above the national average of 9.4%

Figure 1.
Parents' use of assistance programs



Source: https://ncchamber.com/wp-content/uploads/Untapped_NORTHCAROLINA_053124_DIGITAL.pdf

Licensed child care facilities in North Carolina can serve only 66% of children that have parents in the workforce.³ This limited capacity means that families often struggle to find affordable, quality child care, forcing them to rely on informal or inconsistent care arrangements.

Disparities in access

In North Carolina, disparities in child care access and quality significantly affect families across various demographics and regions. Key disparities include:

- **Urban vs. rural access** – urban areas often have more child care options compared to rural regions, where many families face limited availability. Five rural counties have lost all their family child care homes since COVID-19, exacerbating access issues.⁸
- **Affordability challenges** – many low-income families struggle to afford quality child care, often leading to a reliance on lower-quality options. While subsidies exist, not all eligible families receive assistance due to funding constraints, leaving many without support.
- **Access inequalities** – Black, Latino, and Native American children from low-income households often have less access to high-quality early care and education programs. Non-English-speaking families may also encounter challenges finding child care providers who can effectively communicate and understand their needs.¹⁰
- **Variability in standards** – The quality of child care programs varies, with higher-quality centers often located in affluent areas, leaving underserved communities with fewer high-quality options. Low wages and high turnover rates among child care workers can also affect the consistency and quality of care provided.¹¹

Addressing the crisis

Addressing the child care crisis in North Carolina could increase economic gains for North Carolina. By improving access to affordable, high-quality child care, more parents can enter or remain in the workforce, boosting labor force participation and overall productivity. In 2023, an estimated 15,000–31,000 North Carolinians with young children could have potentially returned to the workforce with proper child care. Their return to the workforce would have created an

additional \$5.7–\$13.3 billion in annual economic output for North Carolina.³ Access to child care would greatly impact counties such as Polk, which had no available licensed child care slots for infants and toddlers in 2022.¹²

North Carolina will be testing a “Tri-Share” child care model, which is an innovative child care funding model designed to make child care more affordable and accessible for families by dividing the cost of care among 3 parties: the employer, the employee (parent), and a government or philanthropic entity. This shared responsibility approach aims to reduce the financial burden on families while supporting workforce stability and economic growth. This program was first launched in Michigan as a pilot program in 2021.⁴

In response to the impact of the COVID-19 pandemic, in October 2020, the North Carolina Department of Health and Human Services (NCDHHS) provided \$35 million in operational grants from federal Coronavirus Relief Funds to licensed child care providers offering in-person services during the pandemic. These grants aimed to offset financial strains due to additional health and safety expenses, as well as compensate for missed revenues due to lower enrollment.¹³

In October 2021, Governor Roy Cooper announced an \$805 million investment in early care and learning programs through the North Carolina Child Care Stabilization Grants. Funded by the 2021 American Rescue Plan Act (ARPA), these grants aimed to:

- Support working families by maintaining access to high-quality, affordable child care
- Assist child care programs in recruitment and retention efforts by enabling better wages and benefits for teachers
- Promote equity among children, parents, and educators

Overall, during the COVID-19 pandemic, North Carolina received approximately \$1.8 billion in federal aid, with over 4,540 programs benefiting from stabilization grants. These funds have been crucial in keeping child care centers operational and supporting the workforce.¹⁴

The “child care cliff” in North Carolina refers to the impending crisis resulting from the expiration of federal pandemic-era funding that has been essential in stabilizing child care services across the state. Though the ARPA funds were scheduled to end in December 2023, legislation was passed that allowed the funding to continue through June 2024. On June 26, 2024, the North Carolina House passed an emergency stopgap funding measure aimed at helping child care centers stay open. This bill allocated \$67 million in emergency funding for child care for the first half of the fiscal year.¹⁵ The bill was approved to provide \$67.5 million through Dec 31, 2024, at a reduced federal funding level.¹⁶ Though NCDHHS released the funds in September 2024, North Carolina had already seen a loss of 116 child centers in the past year, 69 of which occurred between July and the end of September. This was almost double the state’s loss between April and June.¹⁷ Without additional funding past Dec 31, more child care centers will likely close.¹⁶

The sunset of the federal funding would reduce the child care stabilization funds from \$1.3 billion to \$400 million, which is the average federal funding for North Carolina's child care programs.¹⁴ As pandemic-era funding phases out, many child care providers face financial uncertainty; a significant number of programs anticipate closures or reduced services without continued financial support, highlighting the ongoing need for investment in the child care sector. In November 2024, state legislature passed a bill that allocated \$33 million for child care centers, leaving centers to face another cliff in March 2025.¹⁸

A statewide survey was conducted by the NC Child Care Resource and Referral Council to assess the anticipated impact of the end of stabilization grants on child care programs and children and families services. The survey found that:

- 3 in 10 programs expect to close when the grants end, which will equate to more than 1,500 programs.
- 88% of programs expect to increase parent fees.
- An estimated $\frac{2}{3}$ of programs expect difficulty in hiring experienced staff.
- More than 4 in 10 programs expect to close or combine classrooms.¹⁴

The potential closures and increased costs could lead to a loss of child care slots for thousands of children, adversely affecting families' ability to work and contributing to economic instability.

In March 2025, Governor Josh Stein announced the launch of a task force on child care and early education. This bipartisan task force aims to evaluate the current child care system to identify strengths and gaps, recommend public and private investments to enhance child care infrastructure, and develop strategies to recruit and retain a robust child care workforce. The task force is scheduled to release a preliminary report by June 30, 2025, followed by a comprehensive report by December 31, 2025.^{19,20}

Workforce issues

North Carolina's child care sector faces significant workforce challenges that impact the availability and quality of early childhood education. Child care workers in North Carolina typically earn low wages, with many earning near or below the poverty line. This contributes to high turnover rates and staffing shortages, which directly impact the quality and availability of care. As of November 2024, the average hourly pay for a child care worker in North Carolina was \$14.52 an hour,²¹ and the average hourly pay for a fast food worker was \$19.99 an hour.²²

Many child care workers lack access to essential benefits such as health insurance, retirement plans, and paid leave.²³ This lack of support contributes to job dissatisfaction and financial insecurity, making it difficult to attract and retain qualified professionals in the field. This instability then affects parents' ability to find reliable care, leading to absenteeism and reduced productivity at work.²⁴

Subsidized child care

Subsidized child care helps North Carolina parents pay for child care so they can work or attend school. It is funded by a mixture of state (20%) and federal (80%) dollars.²⁵ Parents with children aged 0–5 years old whose family income is at or below the 200% federal poverty level (FPL), or those with children aged 6–11 years old with an income at or below 133% FPL, are eligible for subsidized child care in North Carolina.²⁵

- Approximately 63,000 children per month receive subsidized child care assistance.
- More than 448,000 children are potentially eligible for subsidized child care assistance.
- 79% of the parents who are receiving assistance are employed.
- 56% of the families receiving assistance earn less than \$25,000 per year.
- Parents pay a portion of the child care cost by paying 10% of their income.²⁵

The following recommendations are grounded in the importance of high quality, accessible child care for all North Carolina families. With sustainable funding, incentives, and inclusive cross-collaboration, a stable child care system that is reflective of the needs of families and child care workers can be achieved.

RECOMMENDATION #7

The North Carolina General Assembly should enhance child care subsidies to ensure a larger portion of eligible families receive subsidy payments.

See Recommendation 6.1 in the Appendix for the original recommendation.

Strategy
1

The NC Budget & Tax Center should create a committee to conduct an analysis to estimate the necessary investment from the NCGA and to encourage public investment in child care.

CONTEXT

The NC Budget & Tax Center is a non-profit, non-partisan organization that works to analyze economic conditions and create opportunities for organizations to achieve public policy change.²⁶

Waitlists are due largely to staffing shortages, low wages, and high demand; without the staff to fill classrooms, the full capacity of child care centers cannot be met. Reducing classroom capacity or under-enrolling programs decreases the overall availability of child care, even as some programs remain operational. These adjustments impact child care accessibility but may not be fully reflected in statewide data sources tracking closures.²⁷ Increasing costs of child care also contribute to under-enrollment in programs.²⁷

A 2023 NC Chamber Foundation study found that 9 in 10 North Carolina voters prioritized action to ensure that more working families have access to affordable, quality child care. Three-quarters of respondents viewed the lack of child care programs as a serious problem, regardless of geography (e.g., urban or rural areas), and 86% of voters said improving the quality of child care and making it more affordable for families was a good investment.²⁷

North Carolina's child care subsidy program services more than 100,000 children and their families across the state each year. However, this falls short of meeting demands; in December 2020, there were more than 30,000 families on the waitlist.^{28,29} This does not account for families who may have left the waitlist due to length of time.

This strategy ensures that efforts to secure funding for child care are grounded in data, aligned with economic priorities, and presented in a way that resonates with legislators and stakeholders. By conducting a detailed analysis, the Budget & Tax Center can make a compelling case for the NCGA to invest in child care, ultimately benefiting children, families, businesses, and the state's economy.

WHY DOES THE UPDATE COMMITTEE RECOMMEND THIS STRATEGY?

Conducting a thorough analysis ensures that requests for funding are based on clear, evidence-based calculations. This reduces ambiguity, making it easier for policymakers to understand the scope of the investment needed and its anticipated impact. The Budget & Tax Center can bring attention to the economic importance of child care, positioning it as an essential workforce issue and not just a social service. Lawmakers are more likely to support funding initiatives when they are backed by detailed data and actionable recommendations.

DESIRED RESULT

To provide data-driven, actionable recommendations to the NCGA, ensuring adequate investment in child care that addresses access, quality, and workforce needs while supporting families and the state's economic growth.

ALIGNMENT ACROSS NC

- **The North Carolina Early Childhood Action Plan (ECAP)** emphasizes expanding access to affordable, high-quality child care as a key priority.
- **North Carolina Pre-K (NC Pre-K)** seeks to expand access to pre-kindergarten education, often impacted by broader child care funding gaps.
- **The North Carolina Early Education Coalition** is a statewide advocacy organization dedicated to advancing high-quality early care and education for young children across North Carolina.
- **The NC Chamber Foundation Untapped Potential Report** shows the direct financial impact of insufficient child care on North Carolina.

Strategy 2

The Child Care Referral and Resources Network should develop and implement additional and sustainable initiatives to increase the availability of child care programs in underserved areas.

CONTEXT

Child care deserts—areas where the demand for child care far exceeds the supply—disproportionately affect rural and low-income communities, creating significant barriers for families, children, and local economies. In North Carolina, 99 out of 100 counties qualify as a child care desert, with more than 5 infants and toddlers for every 1 child care slot. There are 10 counties with what is considered an extreme shortage, with 10 or more infants and toddlers per slot.³⁰

Figure 1. All 10 counties with an extreme shortage of infant/toddler care are rural counties.

GREATEST UNDERSUPPLY			
County	Infant-toddler Population	Infant-toddler Enrollment	Infants-toddlers per Available Slot
Hyde	91	3	30.33
Camden	341	17	20.06
Yadkin	1275	67	19.03
Jones	296	18	16.44
Polk	454	28	16.21
Yancey	420	31	13.55
Onslow	11,485	859	13.37
Warren	561	49	11.45
Currituck	684	65	10.52
Madison	463	46	10.07

Source: <https://nearlyeducationcoalition.org/wp-content/uploads/2019/04/Availability-Fact-Sheet.pdf>

The North Carolina Child Care Resource and Referral (CCR&R) Network is a statewide system that supports families, child care providers, and communities by improving access to and quality of early care and education. Operated through regional agencies, the network helps families find suitable child care, offers resources and training for child care providers, and supports local initiatives to strengthen early childhood education.³¹ The CCR&R network collaborates with 14 regional lead agencies and 62 local agencies to tailor services that meet the unique needs of their communities. This localized approach allows for the development of initiatives that specifically address gaps in child care availability in underserved areas.³² One initiative, the Birth-to-Three Quality Initiative, offers training and resources to improve the quality of care for infants and toddlers, ensuring that even the youngest children in underserved areas receive high-quality early education.³³

The reduction of child care deserts can be achieved through financial incentives for child care providers or through prioritizing infrastructure investment in communities lacking sufficient child care options. For example, providing financial incentives is a proven strategy to encourage the establishment, expansion, and sustainability of child care programs, particularly in underserved areas.³⁴ These incentives help offset the high costs and operational challenges that child care providers face, making it more feasible for them to serve communities where child care is scarce.

Types of financial incentives include grants, start-up funds, tax credits and subsidies, and low-interest loans.

Child care deserts can also be improved by prioritizing infrastructure investment through targeted efforts to develop, enhance, and sustain the physical and operational capacity of child care programs in underserved areas. This includes addressing gaps in facilities, the workforce, and resources to ensure families in these regions have equitable access to high-quality child care.

WHY DOES THE UPDATE COMMITTEE RECOMMEND THIS STRATEGY?

Addressing child care deserts is rooted in addressing critical gaps in child care access, promoting equity, and fostering economic growth in underserved areas.

DESIRED RESULT

To expand access to high-quality child care in underserved areas by investing in infrastructure, workforce development, and resources to ensure families in child care deserts have equitable and sustainable options. These efforts aim to ensure that all families, regardless of their geographic location or socioeconomic status, have access to high-quality child care options that support children's development and parents' ability to work or pursue education. By expanding child care availability in underserved areas, particularly rural communities, the state can reduce systemic disparities, improve school readiness for children, and stabilize local economies.

ALIGNMENT ACROSS NC

- **The North Carolina Early Childhood Action Plan (ECAP)** ensures equitable access to high-quality early childhood education and care.
- **The North Carolina Early Education Coalition** engages in legislative advocacy to secure funding and resources for child care infrastructure in child care deserts.
- **Early Years (CCSA)** is a nonprofit organization dedicated to improving the quality and accessibility of early care and education for children, families, and communities.
- **Family Forward NC** works to improve the availability of child care by collaborating with businesses and communities to recognize, support, and access high-quality, affordable child care.
- **The North Carolina Rural Center** addresses child care access and affordability in rural areas and explores factors contributing to child care challenges and efforts being made to address these issues across the state.

RECOMMENDATION #8

Child care workforce salaries should be increased and prioritized by using targeted investments to attract and retain skilled workers critical to delivering care.

Strategy
1

The North Carolina General Assembly should create targeted financial incentives, such as wage supplements, funding for sign-on bonuses, and loan forgiveness programs, to attract and retain skilled child care workers, particularly in areas of the state with the most need.

CONTEXT

As of January 2025, the average hourly wage for a child care worker in North Carolina is \$14.52 an hour, with the majority of workers ranging between \$10.72 and \$15.72 an hour. This is far below living wage; in 2023, a family-sustaining wage was considered \$16.83 per hour for 1 working adult living alone and an estimated \$42.45 per hour for 1 adult supporting 3 children.³⁵ This contributes to high turnover rates and difficulty attracting new talent. Workforce turnover destabilizes child care programs, leading to disruptions in care for families and increased costs for providers to recruit and train new staff.

However, low wages are only a part of the issue. For example, child care workers usually have lower rates of access to employer-sponsored health insurance.³⁶ For child care centers in North Carolina in 2019:

- 32% offered disability insurance.
- 43% offered retirement benefits.
- 64% offered parental.³⁷

Only 17% of early childhood education centers offered fully paid health insurance to child care workers in 2023, and only 17% offered free child care.¹

The Child Care WAGE\$® Program is a workforce retention initiative designed to improve the compensation of early childhood educators and reduce turnover in the child care field. The program provides salary supplements to eligible child care professionals based on their education level and continued commitment to their current child care program.³⁸ In 2023–2024, more than \$9.4 million was invested in WAGE\$ salary supplements, and there were more than 4,000 supplement recipients in 64 counties of the program statewide.³⁹

The Teacher Education and Compensation Helps (TEACH) Early Childhood® Scholarships Program is an initiative designed to improve the education, compensation, and retention of early childhood educators. The program provides scholarships for early educators to pursue higher education and professional development in the field of early childhood education while continuing to work.⁴⁰ In the 2024 fiscal

year, the program helped more than 1,600 early education professionals increase their education; collectively, they attended 56 community colleges and 20 universities offering early childhood degree programs across North Carolina.⁴¹

There are similar programs in other states. For example, the South Carolina TEACH Early Childhood® Program, funded by the South Carolina Department of Social Services, provides scholarships for teachers, directors, and group providers working in child care to complete coursework in early childhood education. This program is in its third decade.⁴² In Virginia, the Virginia Child Care Provider Scholarship Program (VCCPSP) awards scholarships for undergraduate courses that focus on the care and education of young children at Virginia Community Colleges.⁴³

WHY DOES THE UPDATE COMMITTEE RECOMMEND THIS STRATEGY?

By addressing compensation challenges, North Carolina can create a more stable and skilled workforce, enhance the quality of care, and promote economic stability for families and providers alike. Financial incentives such as bonuses help make child care roles more competitive. Loan forgiveness and sign-on bonuses can attract new professionals into the field, particularly younger workers or those with student debt. Targeted financial incentives address the immediate crisis in the child care workforce while laying the foundation for a more equitable, sustainable, and high-quality child care system.

DESIRED RESULT

To build a stable, well-qualified child care workforce by addressing compensation challenges, improving retention, and attracting skilled professionals to the field.

ALIGNMENT ACROSS NC

- **The Division of Child Development and Early Education (DCDEE)** funds the TEACH Early Childhood® Scholarship program and provides funds for the WAGE\$ program.
- **NCPC/Smart Start** provides funding for the WAGE\$ program.

Strategy 2

Establish statewide funding to support ongoing professional development, credentialing, and career advancement opportunities for child care workers.

CONTEXT

Child care workers play a crucial role in supporting early childhood development, yet they often face significant barriers to accessing professional development, credentialing, and career advancement opportunities. Many child care workers lack access to higher education or professional training due to financial constraints or limited availability of programs tailored to their needs.

In North Carolina, the TEACH Early Childhood® scholarship program provides educational scholarships to early care professionals. This program, funded by DCDEE, creates opportunities for people working in regulated early care centers and family child care homes a professional developmental path.⁴⁰ However, this program has limited capacity for scholarship recipients; statewide funding to support similar programs would help to reduce turnover by supporting career advancement.

WHY DOES THE UPDATE COMMITTEE RECOMMEND THIS STRATEGY?

The child care workforce is predominantly composed of women, particularly women of color,²³ who often face systemic inequities in access to education and professional opportunities. These inequities are compounded by the low wages and lack of benefits typical in the field,⁴⁴ which create significant financial barriers to pursuing higher education or professional development. Statewide funding can help bridge these gaps by covering tuition costs, providing scholarships, and offering financial incentives such as wage supplements tied to education. By investing in equitable opportunities for professional growth, such funding strengthens the quality and stability of the child care workforce, ensuring that children across North Carolina receive the high-quality care they need to thrive.

DESIRED RESULT

To create a well-trained, stable, and equitable child care workforce by providing accessible pathways for professional development, credentialing, and career advancement.

ALIGNMENT ACROSS NC

- **The North Carolina's Early Childhood Action Plan (ECAP)** prioritizes investments in early childhood education and workforce development.
- **The Child Care WAGES® Program** has demonstrated that investing in education and career advancement can stabilize and strengthen the workforce.

RECOMMENDATION #9

State agencies should enhance opportunities for intentional cross-sector collaboration to improve quality of care and outcomes for parents or caregivers and their young children.

**Strategy
1**

NCDHHS Division of Public Health, Division of Child and Family Well-Being, and Division of Health Benefits should continue to prioritize alignment between early childhood development initiatives and the Perinatal Health Strategic Plan to ensure cross-collaboration.

CONTEXT

The Division of Public Health (DPH) focuses on protecting and improving the health and well-being of North Carolina residents. Its mission is to promote healthier communities through public health initiatives, policy development, and partnerships.

The Division of Child Development and Early Education (DCDEE) oversees the state's early childhood programs, policies, and services. Its primary role is to promote the development, education, and well-being of children from birth to age 5 by ensuring access to high-quality early care and education across the state.

The Division of Child and Family Well-Being (DCFW) focuses on promoting the health, safety, and well-being of children and families across North Carolina. This division aims to provide holistic support by integrating health services, nutrition programs, and family support initiatives to improve outcomes for children and their caregivers. The Division of Health Benefits (DHB) is responsible for managing NC Medicaid and NC Health Choice, which provide health coverage for low-income individuals, children, pregnant women, seniors, and people with disabilities. DHB oversees policy development, program administration, and Medicaid transformation efforts, including the shift to managed care. It works to improve health outcomes, ensure access to care, and control costs while supporting North Carolina's health care providers and beneficiaries.

The Perinatal Health Strategic Plan 2022–2026 is the work of the Perinatal Health Equity Collective (PHEC), which leads and guides the implementation of the statewide guide to improve maternal and infant health. The importance of strengthening alignment between early childhood development initiatives and the Perinatal Health Strategic Plan lies in addressing the interconnected challenges that families face during critical developmental stages.

For example, the first 1,000 days of a child's life are considered critical; this period is foundational for physical, emotional, and cognitive development.⁴⁵ Early childhood development and perinatal health are closely tied to protective factors such as parental resilience, social connections, and access to concrete supports.⁴⁶ However, fragmented systems can leave families overwhelmed, duplicating efforts or missing critical services. For example, a mother might receive prenatal care but lack access to parenting support or developmental screenings for her child.

North Carolina's Early Childhood Action Plan^a and the Perinatal Health Strategic Plan already share overlapping objectives, such as addressing social drivers of health and reducing disparities. Strengthening the alignment between these plans capitalizes on shared goals, amplifying the impact of existing programs.

**WHY DOES THE UPDATE COMMITTEE
RECOMMEND THIS STRATEGY?**

Aligning early childhood development initiatives with the Perinatal Health Strategic Plan and other related efforts ensures a coordinated, comprehensive approach to supporting children and families during critical developmental periods. Holistic support across developmental stages bridges gaps between prenatal, perinatal, and early childhood services, ensuring families receive continuous support from pregnancy through early childhood. This alignment fosters a seamless continuum of care that supports families and children during the most critical stages of development, ultimately contributing to long-term health, education, and economic benefits. The update committee identified challenges in coordination across existing state initiatives and the need for continued investment in improving alignment and collaboration. The committee also recognizes that this collaboration may require finding ways to combine or otherwise use additional funding sources to support current efforts.

^a The North Carolina Early Childhood Action Plan (NC ECAP) is a comprehensive state strategy established in 2019 and updated in 2024 that aims to improve the health, safety, and well-being of young children (birth through age 8) and their families. ECAP outlines measurable goals and strategies to ensure that all children in the state have the opportunity to thrive.

DESIRED RESULT

A coordinated system that integrates early childhood development initiatives with perinatal care to strengthen protective factors, reduce risk factors, and prevent child maltreatment by providing comprehensive support to families during critical developmental periods.

ALIGNMENT ACROSS NC

- **The North Carolina Early Childhood Action Plan (ECAP)** represents a comprehensive effort to address systemic challenges and create opportunities for young children and their families by focusing on measurable goals, cross-sector collaboration, and equity.
- **The State Health Improvement Plan (SHIP)** focuses on behavioral health, social drivers of health, and equity. By integrating trauma-informed approaches, promoting family support, and improving community resilience, NC SHIP aligns its goals with reducing the prevalence and impact of adverse childhood experiences (ACEs).
- **Smart Start** shares emphasis on early childhood development and equitable access to resources and promotes family-centered, community-based approaches.
- **EarlyWell** is a collaborative effort between NC Child and the NC Early Childhood Foundation (NCECF) focused on improving the health, well-being, and development of young children. The initiative emphasizes creating a comprehensive, family-centered approach to address social drivers of health, promote equity, and improve outcomes for children from birth to age 8.

Strategy 2

NCDHHS Division of Social Services should ensure that perspectives and experiences of diverse parenting roles (e.g., single parents, same-sex parents, grandparents, and kinship providers) are represented in policies, program design, and services.

CONTEXT

The Division of Social Services (DSS) is part of the North Carolina Department of Health and Human Services (NCDHHS) and is responsible for providing support and services to improve the safety, well-being, and stability of children, families, and vulnerable adults across the state. DSS works in partnership with local Departments of Social Services in all 100 counties to administer a variety of social services programs.

The landscape of North Carolinian families has changed. For example, today, **only 70%** of households include 2 parents.⁴⁷ Only **3.4%** of all North Carolina families have a stay-at-home parent who cares for the child or children full time,⁴⁷ and approximately **238,000** children in North Carolina are being raised by their grandparents or other relatives.⁴⁸

For every 1 child in foster care with relatives, there are 31 being raised by kin outside of the foster care system.⁴⁹ In 2022–2024, there were approximately 86,000 children in kinship care in North Carolina.⁵⁰ Supporting kinship providers and other caregivers can prevent disruptions in caregiving, reducing the likelihood of ACEs like neglect or instability.

Many organizations currently ensure the incorporation of diverse perspectives to inform their work. For example, North Carolina Medicaid's engagement of parent advisory groups, including those who are kinship caregivers, ensures that Medicaid services align with the real needs of families. NC Child, a statewide child advocacy organization, includes parent and caregiver voices in its policy recommendations and collaborates with kinship caregivers to inform family-centered health and child welfare policies. The Children's Home Society's Kinship Navigation Program in North Carolina includes feedback mechanisms for kinship caregivers to identify barriers to accessing services such as legal support, financial assistance, and health care.⁵¹

WHY DOES THE UPDATE COMMITTEE RECOMMEND THIS STRATEGY?

Grandparents raising grandchildren, kinship caregivers, and LGBTQ+ parents often face unique challenges that require targeted support. Recognizing diverse parenting roles ensures that all families feel represented and supported and promotes equity across communities. Families outside traditional parenting roles may face barriers to accessing services due to outdated or rigid eligibility criteria. Representation in program design helps remove these barriers.

By incorporating the realities of various family dynamics into policies and services, North Carolina can better support the well-being of all children and their caregivers, fostering a more inclusive and effective support system. It is critical to represent all families and to recognize that diverse family structures require tailored support. Caregivers who feel supported and have access to adequate resources are better equipped to provide stable, nurturing environments for children.

DESIRED RESULT

To create a more inclusive and equitable support system that recognizes and addresses the diverse needs of all parenting roles in North Carolina. By ensuring that policies, program design, and services represent all families, this effort aims to strengthen family stability, improve access to resources, and enhance outcomes for children.

ALIGNMENT ACROSS NC

- **Equality North Carolina** champions the rights and needs of LGBTQ+ families, ensuring same-sex parents have access to inclusive resources and representation.
- **North Carolina Kinship Care Alliance** advocates for policies and programs that support kinship caregivers.
- **North Carolina Association of County Directors of Social Services** works with county DSS offices to ensure local implementation of inclusive policies.

Strategy 3

The Division of Child and Family Well-Being (DCFV) should engage philanthropic partners to provide expanded resources for North Carolina’s Child Care Health Consultants to work within child care centers and early childhood programs to offer screenings that can lead to referrals and interventions.

CONTEXT

Child Care Health Consultants (CCHCs) are a network of trained health professionals, typically nurses or individuals with backgrounds in public health or early childhood development, who work with child care programs to promote safe and healthy environments for young children.⁵² They often collaborate with directors, teachers, and family child care providers. The program is coordinated by the North Carolina Child Care Health and Safety Resource Center, with support from DCDEE.

CCHCs are engaged in a variety of work; for example, they assess the child care environment for safety, develop strategies for inclusion of children with special health needs, and provide up-to-date information on regulations.⁵² They also conduct workshops, training sessions, and individualized coaching for child care staff.

Active CCHCs have successfully completed the NC Child Care Health Consultant Course; this course teaches health professionals the skills needed to provide child care health consultation and coaching. The course also provides information, resources, and hands-on experiences to inform CCHC practice. This training is done through the North Carolina Child Care Health and Safety Resource Center.⁵³

Screenings for developmental milestones, and behavioral health are crucial for identifying potential issues early.⁵⁴ Many children in child care settings, especially in underserved communities, may not have regular access to these screenings due to financial, geographic, or systemic barriers.⁵⁵

Many child care centers lack the capacity, training, or resources to address health and developmental concerns on their own. CCHCs provide essential support by training staff, implementing health protocols, and fostering a culture of proactive health care within child care settings.

DCDEE serves as the primary authority for early childhood programs and child care in North Carolina. DCDEE already has established relationships with child care providers, which can help facilitate the introduction and acceptance of expanded CCHC services and effectively integrate the role of CCHCs into the broader child care system.

Currently, some state divisions can partner with place-based or regionally supported foundations to support mutual partners serving specific geographic areas. Foundation support for state agencies often is not direct funding to the agency, but to a mutual non-profit partner like Child Care Health Consultants (personal email communication with Juli Kim, Philanthropy Liaison, NC Office of State Budget & Management, March 19, 2025).

WHY DOES THE UPDATE COMMITTEE RECOMMEND THIS STRATEGY?

Philanthropic support can help fund training, resources, and outreach efforts, ensuring equitable implementation of this strategy in underserved areas. Expanding resources for CCHCs to conduct screenings and provide referrals within child care settings addresses a critical gap in early childhood health services. By leveraging the expertise of CCHCs and support from philanthropy, this strategy promotes equitable access to essential care, improves outcomes for children, and aligns with broader state goals to strengthen North Carolina’s early childhood systems.

DESIRED RESULT

To create an integrated, equitable system within North Carolina’s child care and early childhood programs that ensures all children have access to essential health screenings, timely referrals, and effective interventions to support their development and well-being. Early education providers have the resources and information they need to provide high-quality care to their children.

ALIGNMENT ACROSS NC

- **The NC Early Childhood Action Plan (ECAP)** focuses on improving child health and safety, including access to preventive care and developmental screenings.
- **NCPC/Smart Start** collaborates with local communities to enhance the quality of child care and provide family support services.
- **The EarlyWell Initiative** focuses on creating a comprehensive early childhood system that addresses health, equity, and social drivers of health.

Strategy 4

Ensure the inclusion of parent and child care worker perspectives and experiences in defining quality of care by partnering with parent advocacy groups and child care worker associations to engage in public awareness campaigns and policy discussions.

CONTEXT

There is a critical need to ensure that definitions of quality in child care reflect the lived experiences, needs, and values of those most directly impacted: parents and child care workers. These perspectives are often underrepresented in policy discussions and public awareness efforts, despite their vital role in shaping and sustaining high-quality child care systems.

Definitions of quality in child care often focus on structural aspects, such as caregiver-to-child ratios, safety, and curriculum, while neglecting relational and experiential factors. Incorporating the voices of parents and child care workers ensures that quality metrics also reflect cultural responsiveness, emotional support, and practical realities.

In North Carolina, several initiatives actively involve parents and child care workers in shaping quality of care through partnerships and advocacy efforts. Launched by NC Child, the NC Child Advocacy Network (CAN) brings together child advocates statewide, including parents, direct service organizations, health care professionals, youth leaders, and faith groups. The network's primary goal is to build power that can impact public policies benefiting children and families. By creating multi-issue hubs in various regions across the state, CAN elevates the voices of local advocates, ensuring that those closest to the challenges help define solutions and quality care standards.⁵⁶ Another example is GenerationEd, which offers an Early Childhood Parent Advocacy Team that equips parents with the skills and support needed to engage confidently with elected officials and participate in conversations about early childhood education. By forging relationships with policymakers, parents can advocate for improvements in quality of care, ensuring that their perspectives and experiences are integral to policy development and public awareness campaigns.⁵⁷

By amplifying their perspectives through public awareness campaigns and policy discussions, the goal is to improve the definition and delivery of high-quality child care, foster greater community and stakeholder engagement, address systemic disparities, and enhance workforce satisfaction and retention.

WHY DOES THE UPDATE COMMITTEE RECOMMEND THIS STRATEGY?

Amplifying the perspectives and experiences of parents and child care workers is critical for creating a more inclusive, effective, and equitable child care system. Parents and child care workers have firsthand knowledge of the challenges and needs within the child care system; by including these voices, the definition of quality becomes more reflective of the needs and priorities of the people most impacted. Engaging parent advocacy groups and child care worker associations ensures that diverse populations, including those in underserved communities, have their needs and concerns represented; this helps to address disparities and create a system that is more equitable for all families.

DESIRED RESULT

To create a child care system that is reflective of the needs of families and child care workers.

ALIGNMENT ACROSS NC

- **The NC Licensed Child Care Association (NCLCCA)** is an organization of child care providers and affiliated businesses. It is not funded by any state or federal dollars, existing through child care center and vendor support.
- **MomsRising NC** involves parents in advocacy efforts, elevating their voices to influence policy discussions and decisions about child care system.
- **North Carolina Child Care Resource and Referral Council (CCR&R)** offers support and training for child care providers across the state. It advocates for policies that improve the quality and accessibility of child care.
- **Early Years** integrates the voices of child care professionals, ensuring that those directly involved in early childhood education contribute to defining and improving care quality.
- **Positive Childhood Alliance NC (PCANC)** engages both parents and child care professionals. PCANC ensures that diverse perspectives inform their strategies and initiatives.

FAMILY-FRIENDLY WORKPLACE POLICIES

Family-friendly workplace policies are designed to support employees in balancing their professional and personal responsibilities, enhancing overall well-being and productivity. They offer essential support for employees, increasing retention, productivity, and recruitment.⁵⁸

Workplaces that prioritize family-friendly policies have a competitive advantage; 75% of employers in North Carolina think that family-friendly policies have a positive impact on their organization, while 73% of employees think that they would be more committed to their employer if their policies were more family-friendly.⁵⁹ Around 67% of employers in North Carolina have implemented or are exploring the implementation of family-friendly policies due to the impact of COVID-19.⁶⁰

Family-friendly workplace policies can help reduce parenting stress, which can then lead to more productive employees.⁶¹ Family-friendly workplace policies can look like: **paid family and medical leave**, offering compensated time off for new parents to care for their newborn or newly adopted child or sick family members; **flexible work arrangements**, providing options to help employees manage work and family commitments; **support for breastfeeding employees**, ensuring private spaces and reasonable break times to express milk; and **child care assistance**, providing resources such as on-site child care facilities, subsidies, or referrals to help employees secure reliable child care services.

Family-friendly workplace benefits can enhance positive outcomes and reduce negative impacts for both families and children. For example, babies born to parents with paid parental leave are more likely to be at a healthy birth weight, and parental leave significantly lowers a parent's risk of postpartum depression and anxiety.⁶² Children whose parents have paid parental or sick leave are more likely to have recommended immunizations, regular school attendance, and fewer mental or behavioral health problems.⁶³ According to a 2024 report, North Carolina employers lose more than \$4.2 billion a year due to job disruptions and turnover related to employees' child care challenges. North Carolina also loses another nearly \$1.4 billion in tax revenue from employment tax.⁴ In 2023, an estimated 15,000–31,000 working-age North Carolinians with young children could have returned to the workforce with proper access to child care; this in turn would have created between \$5.7 billion and \$13.3 billion in annual economic output for North Carolina.³

WHY CHILD CARE MATTERS FOR BUSINESS

The availability of affordable, high-quality child care has a profound impact on families, on their ability to participate in the workforce, and on the state as a whole. The North Carolina Early Education Coalition classifies North Carolina as a “child care desert,” with an average of over 5 families competing for every 1 available licensed child care slot statewide.⁴ The average yearly cost for care in a North Carolina child care center is \$9,255 for an infant and \$7,592 for a 4-year-old. These costs lead parents who have low incomes and lack access to assistance to spend over one-third of their annual income on child care.⁴

Access to reliable and affordable child care reduces employee absenteeism, improves retention, enhances recruitment, and fosters a stronger economy and community.

Reducing Employee Absenteeism and Improving Retention

According to a March 2024 survey, 25% of North Carolina parents had their employment impacted by child care issues.⁴ These rates are not equally distributed across the population, with 31% of low-income families impacted compared to 19% of high-income families, and 30% of women compared to 18% of men.⁴ Of those who experienced a disruption in child care in the prior year, 35% left the workforce as a direct result of child care issues. In North Carolina, child care-related absenteeism and turnover costs employers \$4.29 billion annually.⁴

Attractive Recruitment and Strengthening Local Economies

One in 5 North Carolina employers attributes hiring challenges to a lack of access to child care.³ A report from the North Carolina Department of Commerce and NC Child found that “100,000 fewer working-age parents with young children participated in North Carolina’s labor force in 2023 than in 2019.”³ Additionally, disruptions in child care result in a staggering \$5.65 billion annual loss to North Carolina’s economy, including \$1.36 billion in lost tax revenue in employee tax.⁴ These figures highlight how investments in child care could not only help businesses but also stimulate local economic growth by enabling parents who would like to participate in the workforce to do so.



The economic model estimates that breakdowns in child care are costing North Carolina \$5.65 billion in untapped economic potential annually. Workplace disruptions in the form of absenteeism and employee turnover and lost tax dollars from unearned wages account for North Carolina’s lost economic value.”²⁹

https://ncchamber.com/wp-content/uploads/Untapped_NORTHCAROLINA_053124_DIGITAL.pdf

Preventing Adverse Childhood Experiences (ACEs) and Promoting Positive Childhood Experiences (PCEs)

High-quality, affordable child care can play a role in preventing adverse childhood experiences (ACEs) by creating safe, stable, and nurturing environments. The Centers for Disease Control & Prevention notes that “access to affordable, high-quality child care reduces parental stress and is associated with fewer symptoms of maternal depression. Both parental stress and maternal depression are risk factors for child abuse and neglect.”⁶⁴ When parents can afford consistent care, financial and emotional stressors decrease, leading to healthier family dynamics.

Beyond mitigating ACEs, child care fosters positive childhood experiences (PCEs), which promote healthy cognitive, social, and emotional development. High-quality programs ensure positive caregiver interactions, creating nurturing relationships that build trust and emotional resilience in children. Socialization opportunities in child care settings allow children to develop essential communication and relationship-building skills. Such experiences are fundamental to promoting resilience, helping children navigate future challenges effectively and become positive community members.

PAID FAMILY AND MEDICAL LEAVE (PFML)

Paid family and medical leave (PFML) is the ability to take a leave of absence for a “worker’s own serious, longer-term health condition, to care for a family member with a serious health condition, or to care for or bond with a new child, and for reasons related to a family’s member’s military service.”⁶⁵ Nationally, only 23% of workers had access to paid family leave in 2021.⁶⁵

Access to paid family and medical leave can be an instrumental factor in family employment and economic status as it:

- **Improves Financial Stability** – PFML can help reduce financial strain during family health crises, the birth of a child, or other significant caregiving needs.
- **Supports Work-Life Balance for Caregivers** – PFML gives parents the flexibility to provide care themselves during times of need, such as a child’s illness.
- **Reduces Pressure on the Child Care Systems** – By allowing families to temporarily care for children at home, PFML can ease the demand on child care providers and reduce the number of sick children attending child care.
- **Increases Workforce Participation** – PFML helps parents maintain their jobs while managing caregiving responsibilities so they can continue to earn income and benefits that support family needs. By providing a safety net during caregiving challenges, PFML can help families avoid prolonged periods of unemployment that can lead to financial hardship.

Around 76% of workers in North Carolina—close to 4,007,000 people—do not have access to PFML.⁶⁶ Nationally, statistics show that access to paid family leave varies by income and type of work:

- 6% of those with the lowest incomes having paid family leave compared to 43% of those with the highest incomes.⁶⁷
- 24% of private sector employees have access to paid family leave.⁶⁸
- 12% of part-time workers have paid family leave compared to 28% of full-time workers.⁶⁸

If women in North Carolina participated in the labor force at the same rate as women in countries with paid leave, there would be an estimated 180,000 additional workers in the state and \$5.7 billion more wages earned statewide.”

National Partnership for Women & Families. Paid Leave Means A Stronger North Carolina. February 2024. <https://nationalpartnership.org/wp-content/uploads/2023/04/paid-leave-means-a-stronger-north-carolina.pdf>

Short-term disability insurance is another mechanism that can help people who need to take an extended period of time off for illness, injury, or other medical reasons. It can replace a portion or all of a worker’s income. Like paid family and medical leave, only a portion of workers nationally have this type of coverage:

- 43% of private sector workers have access to short-term disability insurance through their employer.⁶⁸
- Around one-tenth of the lowest 10% of earners have access to this coverage.
- 19% of part-time workers compared to 51% of full-time workers have access.

As of 2023, 13 states (California, Colorado, Connecticut, Delaware, Maine, Maryland, Massachusetts, Minnesota, New Jersey, New York, Oregon, Rhode Island, and Washington) and the District of Columbia had enacted paid family and medical leave laws.⁶⁹ State employees in North Carolina are now eligible for up to 8 weeks of parental leave that may be used for the care of a newborn or adopted child, but not for other family members.⁷⁰

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CHAPTER FIVE Mental and Behavioral Health

83

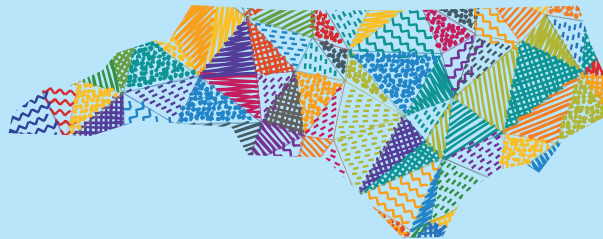
RECOMMENDATION 10

Create a strategy to integrate infant and children's mental health into the Medicaid services and initiatives centered around social drivers of health.

88

RECOMMENDATION 11

Establish guidelines for primary care clinicians to expand screening for social and emotional risk factors.



CHAPTER 5 | MENTAL AND BEHAVIORAL HEALTH

From infancy to preschool years, every experience plays a crucial role in shaping a child's foundation for future well-being. Mental and behavioral health in children encompasses a wide range of emotional, psychological, and social factors that influence how children think, feel, behave, and interact with others. Mental health includes the ability to manage emotions, build relationships, navigate challenges, and develop coping mechanisms for stress and adversity. It is affected by factors such as trauma and adverse childhood experiences (ACEs), family dynamics such as parental mental health, bullying, and academic challenges. Positive childhood experiences (PCEs) are also profound in their impact on mental health.



Each **\$1** invested in infant and early child mental health programs returns **\$3.64** back in prevented treatments later in life.¹

In 2022, **11%** of North Carolina children aged **3 to 17** received a diagnosis of depression or anxiety from a health care provider—a nearly **48%** increase from 2016.²

In 2022, more than **1300** Medicaid-insured children used the emergency department for behavioral health needs.³

Infant and early childhood mental health (IECMH) includes a child's social and emotional development from birth through 5 years of age.⁴ Early interactions shape a child's ability to form secure attachments, regulate emotions, and develop cognitive and social skills that influence long-term well-being. Supportive and nurturing relationships with parents and caregivers are essential for a baby's social and emotional development. Investing in early relational health through parenting support programs, home visiting initiatives, and accessible mental health services can significantly improve outcomes for young children and their families. Promotion of IECMH requires the efforts of family caregivers as well as health care, child care, and other professionals who focus on enhancing the emotional and social competence of children aged 0–5 years old.⁵

Emotionally supportive relationships during the first 3 years of life create the foundation for lifelong health and well-being. A baby's earliest relationships with parents and other caregivers influence brain development, social, emotional, and cognitive skills, and future physical health.⁶

In 2019, North Carolina ranked last in the nation for access to children's behavioral health services,³ highlighting significant gaps in service availability, provider networks, and systemic support for children and families in need. Many communities, particularly in rural areas, face severe shortages of child psychiatrists, psychologists, and behavioral health specialists, making it difficult for families to access timely and appropriate care.⁷ Limited insurance coverage, long wait times, and a lack of integrated care models further exacerbate barriers to treatment, leaving many children without the support they need to thrive.⁸

What Do Mental Health Issues In Young Children Look Like?



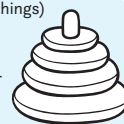
Infants

- Inability to gain weight
- Inconsolable crying
- Lacks emotional expression
- Sleeping and feeding disturbances
- Resistance to being touched or comforted

**all outside of typical, developmental and cultural norms*

Toddlers and Preschoolers

- Tantrums, intense emotional outbursts (yelling, hitting, breaking things)
- Impulsive behavior/play
- Inability to pay attention
- Difficulties managing their emotions
- Regression in sleep, toileting, language or eating routines
- Difficulty transitioning from one activity to another or following rules



<https://guchd.georgetown.edu/Docs/iecmh/IECMH%20-%20Laying%20the%20Groundwork%20for%20All%20Future%20Development.pdf>

ACEs and Mental Health

The associations between ACEs and risks for adult depression, poor mental health, and insufficient social and emotional supports have been well documented as have observable changes in brain anatomy.⁹ Research shows that adverse childhood experiences can lead to heightened stress responses, disruptions in brain development, and long-term alterations in the body's regulation of stress hormones. These neurological and physiological changes increase the likelihood of chronic health conditions, substance use disorders, and difficulties in emotional regulation and interpersonal relationships.^{9,10} *For more information, please see Chapter 1 of this report.*

In addition, the protective factors of PCEs have been found to promote resilience, strengthen emotional regulation, and support healthy brain development by fostering secure relationships, positive self-identity, and adaptive coping mechanisms.¹¹ Research indicates that positive childhood experiences, such as strong caregiver attachment, safe and supportive environments, and access to social and emotional learning opportunities, can mitigate the negative effects of ACEs by buffering against toxic stress. These protective factors contribute to improved mental health outcomes, increased social connectedness, and greater long-term well-being, ultimately reducing the likelihood of developing depression, anxiety, and other stress-related disorders in adulthood.⁹

The social-emotional health of infants and young children is closely intertwined with their parents' and other caregivers' mental health.^{12,13} For instance, higher levels of parental depression and anxiety are associated with poorer social-emotional development in infants, such as anxiety, a more difficult temperament, and a lower ability to self-regulate.¹⁴

THE IMPACT OF MATERNAL MENTAL HEALTH ON INFANT AND EARLY CHILDHOOD DEVELOPMENT

Maternal mental health (MMH) is a key determinant of infant and early childhood development, influencing physical, cognitive, and emotional outcomes. Research shows that untreated maternal mental health conditions, including depression, anxiety, and substance use disorders, can profoundly disrupt the caregiving environment, with long-term implications for children.¹⁵

Healthy maternal mental health promotes nurturing, responsive caregiving, reducing the risk of adverse childhood experiences (ACEs) and fostering positive childhood experiences (PCEs). Conversely, conditions like depression and anxiety can impair a mother's ability to provide consistent care, leading to neglect, emotional unavailability, or increased stress, all of which elevate ACE risks.¹⁵

The prevalence of maternal mental health conditions and impacts on mothers is alarming:

- Approximately 20% of women nationally experience challenges related to behavioral health during the perinatal period¹⁶ (the period of time when you become pregnant until a year after giving birth).
- Around 26% of new mothers in North Carolina in 2020 said that they are either always, often, or sometimes down, depressed, or hopeless, with consistency in rates among those enrolled in Medicaid and those who aren't.¹⁶
- Suicide and overdose are the leading causes of death in the perinatal period, accounting for 20% to 23% of these deaths nationally, and 32% in North Carolina.¹⁶
- Despite the severity, 75% of those affected by mental health challenges do not receive treatment due to lack of screening and/or maternal care generally, as well as stigma.¹⁷

Children of mothers with untreated mental health conditions face an increased risk of adverse outcomes, including:

- **Physical and Developmental Challenges:** Infants are at increased risk for preterm birth, low birth weight, and prolonged neonatal intensive care stays. These factors are linked to delays in behavioral, cognitive, and emotional development.¹⁵
- **Behavioral and Emotional Problems:** Maternal mental illness correlates with internalizing (e.g., anxiety, loneliness, low self-esteem, and sadness) and externalizing (e.g., argues, fights, gets angry, acts impulsively, and disturbs ongoing activities) behavior issues in children, such as anxiety, aggression, and difficulty regulating emotions.¹⁸
- **Educational Challenges:** Children with mothers who experience depression may have poorer academic performance, potentially due to disrupted attachment processes and environmental instability.¹⁹

Interventions targeting maternal mental health can yield significant benefits for child development. For instance, increasing access to mental health services during the perinatal period, such as psychotherapy and diagnostic evaluations, could help to mitigate the adverse effects of maternal mental health conditions on infants. Increasing access to maternity care and providing culturally sensitive care could help reduce disparities, particularly among Black and American Indian populations who face higher mortality rates linked to perinatal mental health conditions.¹⁷

Maternal mental health is a critical lever for improving early childhood development outcomes. Efforts to prioritize and address these conditions must include robust screening practices, accessible treatment options, and community-focused interventions to break intergenerational cycles of trauma and foster resilience.



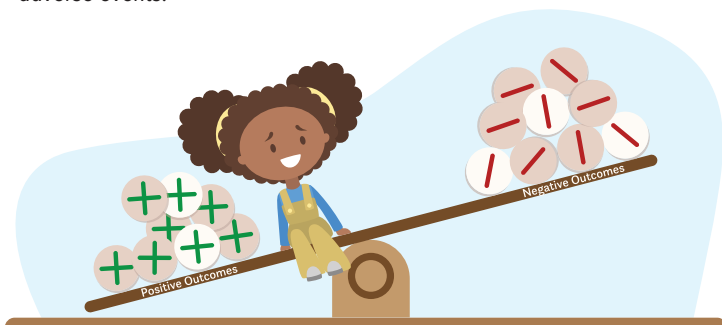
Women with untreated MMH conditions during pregnancy are more likely to have poor prenatal care, use substances such as alcohol, tobacco, or drugs, and experience physical, emotional, or sexual abuse. Women with untreated [maternal health] conditions postpartum are more likely to be less responsive to their baby's cues, have fewer positive interactions with their baby, experience breastfeeding challenges, and question their competence as mothers."

Maternal Mental Health Leadership Alliance. Fact Sheet: Maternal Mental Health Overview. February 2023. <https://www.mmhla.org/mmh-fact-sheet>

RESILIENCE

Resilience in children refers to their ability to adapt and thrive in the face of adversity, stress, or challenging circumstances. It is the capacity to recover and grow from difficult experiences, using internal and external resources to cope, recover, and maintain healthy development. In the context of childhood, resilience is not about avoiding challenges but about having the skills, support systems, and environments that help children navigate through them successfully.^{20–22}

There are different types of resilience: individual, family, and community. Individual resilience is the ability of an individual to recover from and show effective adaptation following an adverse experience.²³ Family resilience refers to a family's ability to maintain effective functioning following potentially traumatic events. It depends on several factors, such as challenges from current stressors, levels of pre-existing stress, the family's coping skills, and the resources available from family members.²³ Community resilience is a measure of the ability of a community to utilize available resources to respond to and recover from adverse events.²⁴



Key aspects of resilience in children include:

- **Positive Relationships:** Having stable, supportive, and nurturing relationships with caregivers, family members, or mentors is a critical factor in building resilience. These connections provide emotional support and model coping strategies.²⁵
- **Self-Regulation:** Resilient children develop the ability to manage their emotions, thoughts, and behaviors in healthy ways, allowing them to cope with stress and setbacks without being overwhelmed.²⁶
- **Problem-Solving Skills:** Children with resilience are better equipped to approach challenges with a sense of confidence and problem-solving skills, finding ways to overcome obstacles.
- **Positive Self-Perception:** Resilient children tend to have a positive view of themselves, recognizing their strengths and abilities, which helps them approach difficulties with optimism and persistence.¹¹
- **Safe and Supportive Environments:** Children are more likely to develop resilience when they grow up in environments that are safe, stable, and nurturing, and where they can feel secure and confident.^{11,21}

TRAUMA-INFORMED CARE

The Substance Abuse and Mental Health Services Agency (SAMHSA) describes trauma as a result from an event, series of events, or set of circumstances that is experienced by an individual that has lasting adverse effects on functioning and mental, physical, social, emotional, or spiritual well-being. While each individual's response to trauma is unique, a strong support system can reduce the risk of trauma negatively impacting their health.²⁷

In children, the impact of traumatic stress can last beyond childhood. Child trauma survivors are more likely to have learning problems, increased use of health services, and increased involvement with the child welfare and juvenile justice systems.²⁸ Efforts to enhance behavioral health care for children should include strategies specifically designed for those involved in the child welfare system and tribal child welfare programs. These children are more likely to have experienced traumatic events, resulting in an increased need for comprehensive behavioral health support.³

Trauma-informed care for children is an approach to providing services and support that recognizes, understands, and responds to the impact of trauma, including adverse childhood experiences, on a child's development, behavior, and overall well-being. This approach prioritizes creating safe, supportive environments that help children heal from traumatic experiences, while avoiding practices that could unintentionally re-traumatize them. Trauma-informed care is rooted in the understanding that trauma, such as abuse, neglect, or exposure to violence, can deeply affect how children think, feel, and behave.

Key principles of trauma-informed care for children include:²⁹

- **Safety:** Ensuring both physical and emotional safety is the foundation of trauma-informed care. Children need to feel secure in their environment and interactions to begin healing from trauma.
- **Trustworthiness and Transparency:** Caregivers and professionals maintain clear communication and honesty, building trust with the child and their family.
- **Empowerment and Voice:** Trauma-informed care emphasizes giving children a sense of control by encouraging their input in decisions affecting their lives and validating their experiences and feelings.
- **Collaboration:** Professionals work closely with the child, their family, and other caregivers or systems (like schools) to provide a coordinated and holistic approach to support the child.
- **Cultural, Historical, and Gender Sensitivity:** Trauma-informed care recognizes the importance of a child's cultural background, history, and identity in shaping their experience of trauma and healing.

- **Understanding Trauma's Effects:** Care providers are trained to recognize signs of trauma and its potential effects on a child's behavior, emotional regulation, and relationships, and they adjust their care to meet the child's specific needs.

However, trauma-informed care is also impactful for lifelong health. Experiencing trauma can lead to an increased risk of serious health issues such as chronic lung, heart, and liver diseases, as well as an increase in social service costs. Implementing trauma-informed approaches to care may also help health care providers engage with patients more effectively by actively resisting re-traumatization.³⁰ Trauma-informed approaches emphasize safety, trust, and empowerment, helping individuals process and heal from past trauma. Trauma-informed care promotes protective factors like stable relationships, emotional support, and access to mental health services, which can disrupt intergenerational cycles of adversity.³¹

Ongoing efforts to improve mental and behavioral health for children

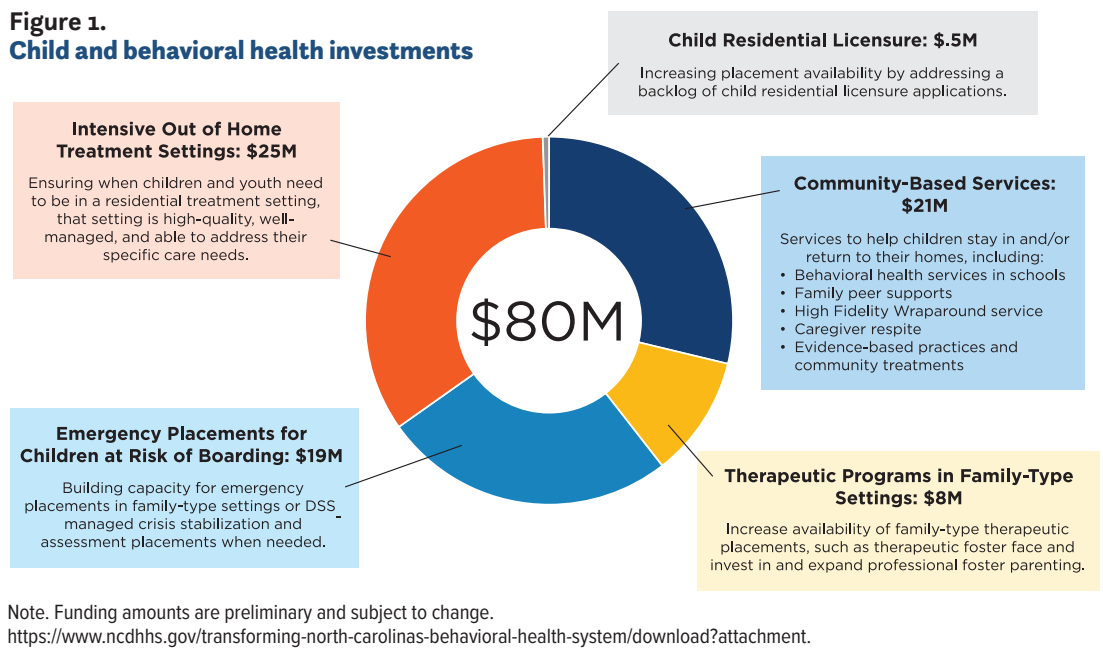
In January 2024, NCDHHS unveiled details on a new key initiative that was a part of a historic \$835 million investment by the NC General Assembly.³² The Children and Families Specialty Plan is a first-of-its-kind statewide health plan to offer access to comprehensive physical and behavioral health services for Medicaid-enrolled children and families served by the child welfare system.³² This NC Medicaid managed care plan is operated by BlueCross BlueShield NC and includes behavioral health services such as outpatient therapy, inpatient treatment, and crisis and therapeutic residential options for children.³³ Overall, \$80 million of the investment was earmarked for child and family well-being.³

In August 2024, NCDHHS announced a \$4.5 million investment in the NC Child Treatment Program, a statewide initiative to train mental health providers in trauma-informed treatment models for children with complex behavioral health needs. The NC Child Treatment Program is part of the Center for Child and Family Health (CCFH), which specializes in treating and preventing child traumatic stress.³⁴

In December 2024, NCDHHS announced a \$4 million investment to expand peer support services statewide and ensure that families navigating complex systems have access to support and guidance from an expert source. The initiative will offer support for 40 new Certified Family Peer Specialists that, combined, will help an estimated thousand families each year. NCDHHS will be partnering with UNC Greensboro to implement the program through the UNC Greensboro Youth and Family Voices Amplified program, which is a statewide initiative that trains individuals with lived experience to become family and youth peer support partners. Participants will be credentialed through the National Federation of Families as Certified Family Peer Specialists.³⁵

In addition to expanding mental and behavioral health services for children and families, North Carolina has taken significant steps to improve Medicaid reimbursement rates for mental health providers to ensure sustainable access to care. As part of the state's broader \$835 million investment in behavioral health, the NC General Assembly allocated \$220 million in recurring funds to increase Medicaid reimbursement rates for mental health, substance use disorder, and intellectual/developmental disability services. Effective January 2024, these increases align Medicaid payments with Medicare rates for many behavioral health services, with some rates—such as psychiatric diagnostic evaluations and inpatient behavioral health services—seeing

Figure 1.
Child and behavioral health investments



substantial increases to address provider shortages and rising service costs. These enhancements, alongside investments in trauma-informed care and peer support services, reinforce the state's commitment to strengthening its mental health workforce and improving access to care for children and families.³⁶

In February 2025, NCDHHS invested \$3 million to expand Child First. Child First is a nationally recognized, 2-generation care model that provides home-based therapy for children through age 5, as well as their parents or caregivers. It also connects families to resources in their communities. The \$3 million investment was awarded to Alliance Health, Trillium Health Resources and Vaya Health, which are among that state's LME-MCOs, to expand services to additional counties across the state. Child First is currently available in 31 counties.³⁷

To strengthen the overall impact of the program, NCDHHS plans to launch a Child First Learning Collaborative, which will bring together providers, the participating LME-MCOs, and Child First NC partners to assess the program's effectiveness. This initiative is part of NCDHHS's nearly \$1 billion investment to transform behavioral health across the state.³⁷

RECOMMENDATION #10

NC Medicaid should create a strategy to integrate infant and children’s mental health into the Medicaid services and initiatives centered around social drivers of health.

Strategy 1

NC Medicaid should require integration of early and periodic screening for infants and children into the Healthy Opportunities Pilots (HOP) to identify early social and emotional needs influenced by social drivers of health (SDoH).

a) NCCARE360 should expand the inclusion of social and development services to its existing network.

CONTEXT

Early and periodic screening for infants refers to comprehensive and regular health evaluations designed to monitor and promote the physical, emotional, and developmental well-being of young children. These screenings are critical for identifying potential health concerns, developmental delays, or conditions that may benefit from early intervention. Components of early and period screening for infants include:

- Health and development monitoring, such as assessing growth and evaluating cognitive and social-emotional development milestones
- Immunizations and preventive care such as injury prevention
- Screening for specific conditions such as sensory impairments
- Environmental assessments such as the infant’s home environment to identify factors that might impact development, such as housing stability
- Follow up and referrals to ensure that children with identified concerns are referred to appropriate services³⁸

The Healthy Opportunities Pilots (HOP) is a groundbreaking \$650 million Medicaid initiative designed to address non-medical drivers of health, also known as social drivers of health (SDoH). HOP is the nation’s first comprehensive program to evaluate the impact of providing evidence-based, non-medical interventions related to housing, food, transportation and toxic stress to high-needs Medicaid recipients.³⁹ HOP covers²⁹ interventions, such as home modifications, home visiting services, healthy food boxes, and reimbursement for health-related public transportation. These services were selected based on the evidence-based potential to improve health outcomes.⁴⁰ The pilots operate in 3 geographic regions of North Carolina, with 2 in the eastern part of the state and 1 in western North Carolina.³⁹

HOP also covers interpersonal violence issues for those who are experiencing or are at risk of experiencing interpersonal violence threats. These services may include helping individuals find local

housing services, food pantries, violence intervention services, parenting programs and home-visiting services, legal support, and local child care and social support programs.^{41,42}

NCCARE360 is North Carolina’s first statewide coordinated care network that connects individuals with community resources and services to address SDoH. Launched as a collaborative effort between NCDHHS and private-sector partners, NCCARE360 helps link people to services such as housing, food, transportation and employment through a unified, technology-driven platform. NCCARE360 also connects health care providers, human services organizations, and community-based resources across North Carolina and facilitates real-time referrals to address individuals’ health and social needs.⁴³

Another program worth noting is Child First, which is an evidence-based mental health program for families. The North Carolina model is designed to support young children and their families who are at risk for developmental, emotional, or behavioral challenges due to exposure to trauma and adversity. The program provides home-based, trauma-informed, and relationship-focused services for families with children from birth to age 5. The 2-generation approach focuses on both the child and the caregivers to improve emotional well-being, strengthen parent-child relationships, and foster a stable and nurturing home environment. Medicaid funding supports the delivery of these services, making them accessible to low-income families in North Carolina. Child First currently operates across 31 counties in Eastern North Carolina and will be expanding throughout the state.⁴⁴

WHY DOES THE UPDATE COMMITTEE RECOMMEND THIS STRATEGY?

Recommending NC Medicaid to integrate early and periodic screening for infants and children into HOP and to expand the inclusion of social and developmental services through NCCARE360 is critical for addressing the root causes of health disparities and promoting holistic child development. Infants and children are particularly vulnerable to

SDoH such as poverty, housing and food instability, and lack of access to health care. Integrating screenings into HOP can help to ensure that these factors are systematically assessed and addressed, reducing their negative impact on social-emotional health.

This strategy allows for the leveraging of existing infrastructure; HOP is already addressing SDoH for Medicaid beneficiaries, making it an ideal framework for incorporating screenings. As North Carolina's coordinated care network, NCCARE360 is positioned to connect families with resources addressing identified social and developmental needs. Expanding its inclusion of social and developmental services ensures that families can access the full spectrum of care required to support their children's well-being.

DESIRED RESULT

To ensure early identification and intervention for social and emotional needs in infants and children by integrating screenings into HOP and expanding NCCARE360 services, improving health equity and developmental outcomes across North Carolina.

ALIGNMENT ACROSS NC

- **The North Carolina Early Childhood Action Plan (ECAP)** prioritizes early identification and intervention to support children's health and development with a focus on addressing health disparities.
- **The North Carolina State Health Improvement Plan (SHIP)** emphasizes reducing health disparities, improving access to services, and reducing ACEs.
- **Community Care of North Carolina (CCNC)** works with Medicaid to improve care coordination and outcomes, particularly for vulnerable populations.
- **The Children and Families Specialty Plan** is a statewide NC Medicaid Managed Care plan that will provide Medicaid-enrolled children, youth, and their families in the child welfare system with integrated health care. NCDHHS will work with BlueCross and BlueShield of North Carolina to implement the plan under the name Health Blue Care Together. This plan will launch in December 2025.

Strategy 2

NC Medicaid should ensure parity in payment for services provided by infant and early childhood mental health clinicians, including screenings, assessments, and family-centered interventions. This should include both direct care and preventive services to address early social, emotional, and development needs, ensuring providers are paid for interventions that support long-term mental health outcomes for children.

CONTEXT

Parity in Medicaid payments refers to ensuring that reimbursement rates for services provided under Medicaid are equitable and consistent with the level of care, expertise, and resources required to deliver those services. It also includes aligning payment rates across similar types of care—for example, mental health versus physical health—to promote fairness and access within the Medicaid program.⁴⁵ Parity ensures that Medicaid payments reflect the actual costs of delivering services, encouraging providers to participate in Medicaid programs. Clinicians specializing in infant and early childhood mental health often receive lower reimbursement rates compared to other mental health professionals, despite the complexity and importance of their work. This disparity discourages providers from entering or remaining in the field, exacerbating workforce shortages.⁴⁶

Nationwide, Medicaid has the largest reach of any other public program in terms of providing services to young children; in 2021, it covered more than **40%** of young children **0–6 years old** and **75%** of low-income children **under the age of 6**.

<https://ccf.georgetown.edu/wp-content/uploads/2023/09/State-IECMH-Lessons-Learned-FINAL-9-29-23.pdf>

By 2014, North Carolina accomplished a developmental screening rate of 94% for infants and toddlers, making it a top performer in Medicaid nationwide. Since 2001, North Carolina Medicaid policy has allowed up to 6 mental health visits for children without a diagnosis, which has allowed young children to be supported with needed services.⁴⁷ This policy recognizes the importance of early intervention in addressing developmental, social, and emotional challenges before they escalate, promoting healthier outcomes for children and families and showing innovation in North Carolina.

On Jan 1, 2024, North Carolina Medicaid reimbursement rates were increased for providers of mental health, substance use disorder (SUD) and intellectual/developmental disability (I/DD)-related services. This included child and adolescent day treatment, adolescent crisis services,

and services under the early and periodic screening, diagnostic, and treatment (EPSDT) benefit. The EPSDT benefit mandates that Medicaid cover all medically necessary services for individuals under 21, including mental health assessments and treatments.⁴⁸

These rate increases are part of a broader initiative to strengthen the behavioral health care system in the state, addressing workforce shortages and improving health outcomes for Medicaid beneficiaries. The adjustments are expected to support more behavioral health providers working in the public system, improve access to inpatient psychiatric care, and incentivize early intervention services.

WHY DOES THE UPDATE COMMITTEE RECOMMEND THIS STRATEGY?

Adequate reimbursement ensures that mental health clinicians specializing in infants and young children are fairly compensated, which helps attract and retain qualified professionals in the field. Without parity, low payment rates discourage providers from participating in Medicaid, leading to workforce shortages and reduced access to care. Also, low-income families and marginalized communities rely heavily on Medicaid for access to mental health services. Payment parity ensures these families receive equitable, high-quality care. By ensuring parity in payment, NC Medicaid can strengthen its provider network, improve access to critical early interventions, and promote equitable, long-term mental health outcomes for children and families across North Carolina.

DESIRED RESULT

To ensure equitable access to high-quality infant and early childhood mental health services by providing fair reimbursement for clinicians, fostering early intervention, and supporting long-term mental health and developmental outcomes for children.

ALIGNMENT ACROSS NC

- **The EarlyWell Initiative**, introduced in 2021, is made up of more than 100 service providers, clinicians, and advocates for children's social, emotional, and mental health. It works to improve the landscape around infant and child mental health in North Carolina.
- **Build Up** is a project led by the Frank Porter Graham Child Development Institute at the University of North Carolina at Chapel Hill that provides tools and resources to effectively implement evidence-based practices, programs, and policies in local practice settings to improve outcomes for children and families.

- **The North Carolina Chief Justice’s Task Force on ACEs-Informed Courts** aims to integrate the understanding of adverse childhood experiences (ACEs) into the judicial system. One of its key initiatives is the implementation of Safe Babies Court, a pilot program designed to expedite the placement of infants and toddlers in safe, permanent homes by providing intensive support and services to affected families.
- **The North Carolina Child Fatality Task Force (CFTF)** is a legislative study commission which emphasizes the importance of trauma-informed care, recognizing that addressing trauma is essential for enhancing child well-being and preventing future fatalities.
- **The North Carolina Infant and Early Childhood Mental Health Association (NCIMHA)** is dedicated to supporting professionals who promote the mental health and social-emotional development of children from birth to 5 years old.
- **The North Carolina Early Childhood Action Plan (ECAP)** promotes social-emotional health and equitable access to early childhood services.
- **The 2024–2029 North Carolina Division of Mental Health, Developmental Disabilities, and Substance Use Services (DMH/DD/SUS) Strategic Plan** prioritizes equitable access to mental health services, supporting payment parity for infant and early childhood mental health clinicians to ensure early intervention that promotes well-being.

Strategy 3

NC Medicaid should seek to scale up the Healthy Opportunities Pilots (HOP) program statewide, and NC Medicaid should also examine opportunities through HOP to include additional services focused on family protective factors and positive childhood experiences.

CONTEXT

The Healthy Opportunities Pilots (HOP) currently focuses on critical social drivers of health (SDoH), such as housing, food security, transportation, and interpersonal safety. These factors significantly influence health outcomes, particularly for low-income families and Medicaid beneficiaries. HOP provides funding for evidence-based interventions, such as rental assistance, healthy food deliveries, and transportation to medical appointments. However, since HOP is currently limited to pilot areas in 33 counties, this leaves many North Carolina families without access to these critical services.

HOP tackles upstream drivers of health, like housing, nutrition, and interpersonal safety. Integrating PCE-focused interventions complements these efforts by addressing the emotional and relational needs of families. And while HOP focuses on concrete needs like housing and food security, integrating PCEs ensures a more comprehensive approach to family well-being by addressing emotional and social factors. In May 2024, HOP expanded its eligibility to include members living in pilot regions who participate in NC Medicaid Direct.⁴⁹ Prior to this amendment, only individuals who received Medicaid through 1 of the standard plans were eligible to participate in HOP. The 1115 demonstration waiver expanded eligibility for HOP to include individuals enrolled in Tailored Care Management within NC Medicaid Direct populations in Pilot regions. Previously, eligibility was limited to individuals receiving Medicaid coverage through NC Medicaid Managed Care. A 2024 evaluation provided strong evidence that the HOP program is succeeding in its goals to improve people's health by strengthening the conditions in which they live. It also showed that the program saved Medicaid approximately \$85 per person, per month.⁵⁰ North Carolina is currently seeking federal approval to renew the program, as well as to extend it and make key changes. The renewal would be for another 5-year period.⁵⁰

WHY DOES THE UPDATE COMMITTEE RECOMMEND THIS STRATEGY?

Scaling up Healthy Opportunities Pilots (HOP) statewide ensures equitable access to interventions for all Medicaid beneficiaries, regardless of location, while also generating long-term cost savings for the state.⁵⁰ By integrating services that strengthen family protective factors and promote positive childhood experiences, HOP can address not only immediate social needs but also reduce adverse outcomes

linked to family instability and toxic stress—key drivers of long-term health care costs. Investing in these upstream interventions has the potential to lower expenditures related to emergency care, behavioral health crises, and chronic conditions, ultimately improving health outcomes and reducing the financial burden on Medicaid.⁵⁰

DESIRED RESULT

To expand the reach and impact of HOP statewide, incorporating additional services that strengthen family protective factors and PCEs to improve long-term health and well-being for children and families.

ALIGNMENT ACROSS NC

- **Community Care of North Carolina (CCNC)** collaborates with Medicaid to improve care coordination and outcomes, particularly for vulnerable populations.
- **The State Health Improvement Plan (SHIP)** emphasizes reducing disparities and improving access to preventive care, which aligns with HOP's mission to address SDoH and improve long-term outcomes for children and families.

RECOMMENDATION #11

Community Care of North Carolina, the Division of Child and Family Well-Being (DCFW), and other stakeholders should establish guidelines for primary care clinicians to expand screening for social and emotional risk factors, as well as family protective factors, among families with children.

See Recommendation 6.2 in the Appendix for the original 2015 recommendation.

Strategy 1

The Division of Health Benefits and the Division of Child and Family Well-Being should collaborate with the North Carolina School-Based Health Alliance to support ongoing efforts to increase the integration of primary, mental, and behavioral health care under Medicaid reform.

CONTEXT

Community Care of North Carolina works to promote behavioral health integration by working with practices and choosing the integration model best suited for their practice. They work to implement evidence-based models of integrated care and provide support through billing experts, technical assistance, and consulting services.

The NCDHHS Division of Health Benefits (DHB) is the state agency responsible for administering the Medicaid and NC Health Choice programs. These programs provide health coverage to eligible low-income individuals and families, including children, pregnant women, people with disabilities, and seniors. The DHB operates under the umbrella of NCDHHS and oversees the state's transition to Medicaid managed care, as well as other initiatives aimed at improving access, quality, and cost-effectiveness of care.

The NCDHHS Division of Child and Family Well-Being (DCFW) is the state agency dedicated to promoting the health and well-being of children, youth, and families across the state. Established to consolidate various programs under 1 umbrella, the division aims to create a more integrated approach to addressing the physical, behavioral, and social needs of young North Carolinians. Within DCFW, the Child Behavioral Health Unit plays a pivotal role in supporting the mental and emotional health of children. Utilizing a Systems of Care framework, this unit coordinates a network of community services and supports designed to assist children facing behavioral health challenges and their families. Key initiatives include workforce development, system of care enhancements, support for children with complex needs, and the planning and design of new services.⁵¹

The North Carolina School-Based Health Alliance (NCSBHA) is dedicated to promoting accessible, affordable, and quality health care within school settings across the state. By supporting the establishment and operation of school-based health centers (SBHCs), NCSBHA ensures that students receive comprehensive services, including mental and

behavioral health care, directly on their school campuses. This approach not only addresses immediate health needs but also contributes to improved academic outcomes by reducing absenteeism and supporting students' overall well-being.⁵²

In North Carolina, individuals enrolled in Medicaid often face barriers to accessing comprehensive care, with separate systems for physical and behavioral health leading to fragmented and less effective treatment. This fragmentation often leads to duplication of services or unmet needs, as well as higher health care costs.^{53,54} For many patients, navigating these disconnected systems can be overwhelming, resulting in delayed or foregone treatment, particularly for behavioral health conditions. Additionally, rural and underserved areas face significant shortages of behavioral health providers, further exacerbating access challenges for Medicaid recipients.

Although behavioral health and physical health are interlinked, medical and behavioral health services in the United States are often delivered in separate, rarely coordinated systems.⁵⁵ In integrated practices, primary care and behavioral health providers work together with individuals and families to provide holistic care. Integrated care can take place in a variety of ways, but some common elements include universal screening for behavioral and physical health disorders, shared information systems, and the use of patient registries.⁵⁵

Integrated care models are particularly effective for addressing the complex needs of vulnerable populations by facilitating early identification, timely intervention, and seamless coordination between behavioral and physical health services. By prioritizing these efforts, integrated care can significantly improve outcomes for children and families at risk.

There are also workforce shortages, particularly in behavioral health, that make it challenging for Medicaid enrollees to receive timely care. Integration efforts can address these gaps by creating streamlined care pathways and enhancing provider collaboration.

WHY DOES THE UPDATE COMMITTEE RECOMMEND THIS STRATEGY?

Integrating primary, mental, and behavioral health care is essential for addressing the comprehensive needs of children and families, particularly those most vulnerable under Medicaid. This strategy is especially critical as Medicaid reform in North Carolina seeks to transition to a value-based care model that emphasizes prevention, early intervention, and cost-effective solutions.

By fostering integration, this strategy aims to improve access to behavioral health services, reduce fragmented care, and address social drivers of health that disproportionately impact Medicaid populations. It also supports the identification and treatment of behavioral health challenges earlier in life, which can prevent long-term negative outcomes such as chronic illness, educational disruptions, and justice system involvement. This collaboration aligns with Medicaid's goals of improving health equity and ensuring that children and families receive timely, high-quality, and comprehensive care.

DESIRED RESULT

To ensure that Medicaid enrollees in North Carolina receive seamless, comprehensive care that integrates primary, mental, and behavioral health services, improving health outcomes and reducing disparities across populations.

ALIGNMENT ACROSS NC

- **Healthy Opportunities Pilots (HOP)** addresses social drivers of health through Medicaid, aligning with integrated care goals by considering the broader factors affecting mental and behavioral health, such as housing and food security.
- **Local Management Entities/Managed Care Organizations (LME-MCOs)** are working to integrate care for Medicaid beneficiaries with behavioral health needs.
- **NC Integrated Care for Kids (NC InCK)** is a collaborative model aimed at improving the care of children by focusing on prevention, early identification, and treatment of behavioral and physical needs through integrated care coordination.
- **Community Care of North Carolina (CCNC)** assists medical practices in integrating on-site behavioral health services, implementing screening protocols for conditions like depression and anxiety, and providing tools to improve patient outcomes.
- **The Perinatal Health Strategic Plan** aims to improve health care for all people of reproductive age, specifically by expanding access to high-quality health care and enhancing care coordination.

Strategy 2

The NC Pediatric Society, North Carolina Psychiatry Access Line (NC PAL), and the NC Academy of Family Physicians should continue to expand training opportunities for pediatric primary care providers to identify and address mental and behavioral health needs in children, as recommended by Bright Futures. These organizations should also emphasize strategies to create and allocate time and resources for completing these trainings.

CONTEXT

The NC Pediatric Society is the state chapter of the American Academy of Pediatrics (AAP) and serves as the professional membership organization for pediatricians, pediatric subspecialists, and other child health professionals across North Carolina. The Society is dedicated to improving the health and well-being of all children 0–18 years old in the state.

NC PAL is a behavioral health consultation program designed to support primary care providers and other child-serving professionals in addressing the mental and behavioral health needs of children, adolescents, and families. NC PAL aims to integrate mental health care into primary care settings, particularly in areas where access to specialized mental health services is limited. NC PAL, in partnership with the REACH Institute, offers a Patient-Centered Mental Health in Pediatric Primary Care course that trains clinicians to diagnose and treat mental health conditions they see every day in practice. The program teaches participants to diagnose and treat patients as well as how to refer families to appropriate supports.⁵⁶

The North Carolina Academy of Family Physicians (NCAFP) is a professional association representing family physicians, residents, and medical students across North Carolina. It is the largest medical specialty association in the state. The NCAFP is a chapter of the American Academy of Family Physicians.

Bright Futures is a national initiative developed by the American Academy of Pediatrics that provides a framework for well-child care to promote the health and well-being of children and adolescents from birth through age 21. It serves as a comprehensive set of guidelines for preventive care, helping pediatricians, family physicians, and other health care providers deliver evidence-based, developmentally appropriate care to children and families. Its preventive care guidelines offer recommendations for regular well-child visits, including developmental screenings. North Carolina Medicaid incorporates Bright Futures guidelines as the standard for pediatric preventive care.⁵⁷

Expanding and strengthening partnerships between NC PAL and pediatric practices will help enhance the integration of mental and behavioral health care across primary care settings. NC PAL can help providers integrate mental and behavioral health into routine care, improving early detection and intervention for at-risk children and families.

WHY DOES THE UPDATE COMMITTEE RECOMMEND THIS STRATEGY?

Expanding training opportunities for pediatric primary care providers to address mental and behavioral health needs in children is essential for improving early identification and intervention, particularly given the rising rates of mental health challenges among children and adolescents. Bright Futures guidelines emphasize the importance of integrating behavioral health into routine well-child visits, making it critical that providers are equipped with the knowledge and skills to recognize and respond to these needs effectively. However, many primary care providers face barriers such as time constraints and limited resources that hinder their ability to participate in training. By focusing on strategies to create and allocate time for training, this recommendation ensures that providers can engage in high-quality education without compromising their day-to-day practice.

DESIRED RESULT

To equip pediatric primary care providers with the training, time, and resources needed to effectively identify and address children's mental and behavioral health needs, ensuring early intervention and improved outcomes for children and families across North Carolina.

ALIGNMENT ACROSS NC

- **North Carolina Integrated Care for Kids (NC InCK)** focuses on integrated care models for children, including behavioral health services.
- **Coastal Horizons** is a nonprofit organization that provides comprehensive behavioral health, substance use treatment, crisis intervention, and wellness services to support families across the state. They will be receiving funds from NCDHHS to expand behavioral health services for children, including implementing evidence-based screening and assessment tools.
- **Pender Alliance for Total Health Network** is a community-based organization in Pender County dedicated to improving health outcomes by addressing social drivers of health, promoting wellness, and connecting families to essential health and social services. They will be receiving funds from NCDHHS to expand behavioral health services for children, including implementing evidence-based screening and assessment tools.
- **The EarlyWell Initiative** focuses on improving behavioral health for young children by promoting integrated care, supporting social-emotional development, and addressing gaps in early childhood mental health services through cross-sector collaboration and policy advocacy.
- **The Center of Child & Family Health** is a nonprofit organization dedicated to preventing and treating childhood trauma by providing evidence-based mental health services, training professionals, and advancing research to improve outcomes for children and families.

Strategy 3

Community Care of North Carolina and others should endorse guidelines from Bright Futures for primary care clinicians to expand screening of families with children for psychosocial risk factors and family protective factors.

CONTEXT

Community Care of North Carolina (CCNC) is a statewide nonprofit organization that partners with health care providers, government agencies, and community organizations to improve care coordination, enhance health outcomes, and reduce costs, particularly for Medicaid recipients and other underserved populations in North Carolina. Established to improve care for Medicaid recipients, CCNC focuses on addressing the needs of high-risk patients through initiatives like behavioral health integration. CCNC also leverages data analytics to identify care gaps and implement evidence-based interventions, making it a vital part of North Carolina's efforts to improve population health and reduce health care costs statewide.⁵⁸

Psychosocial risk factors are social, emotional, and environmental challenges that can negatively impact an individual's mental and physical well-being. These factors often include experiences such as financial stress, housing instability, lack of social support, exposure to violence, mental health issues, substance use, ACEs, and chronic stress related to discrimination or systemic inequities. For families, these risk factors can disrupt relationships, hinder parenting, and contribute to negative outcomes for children, such as developmental delays, behavioral problems, or poor health.⁵⁹

WHY DOES THE UPDATE COMMITTEE RECOMMEND THIS STRATEGY?

Expanding family-focused screening guidelines aligns with efforts to address social drivers of health and promote whole-family well-being. Bright Futures emphasizes the importance of identifying psychosocial risk factors while also recognizing family protective factors like social support, parental resilience, and access to community resources. In North Carolina, organizations like CCNC play a crucial role in coordinating care and connecting families to needed services, making them well-positioned to support and implement these expanded screenings. By adopting these guidelines, primary care clinicians can better identify and address underlying factors that impact both child and family health, fostering resilience and reducing long-term risks.

DESIRED RESULT

To equip primary care clinicians with the tools to identify and address psychosocial risk factors and strengthen family protective factors, ultimately improving health outcomes and resilience for children and families.

ALIGNMENT ACROSS NC

- **The Center for Child & Family Health** offers trauma-focused services and advocacy for children and families, emphasizing early intervention and mental health.
- **NCPC/Smart Start** coordinates statewide efforts to improve outcomes for young children, including addressing family risks through local programming.

Strategy 4

Funders and relevant educational organizations should prioritize mental and behavioral health workforce development by increasing training programs, scholarships, and incentives to attract and retain professionals in the field, with a focus on serving children and families. The NC Department of Public Instruction should expand partnerships with universities, community colleges, and training institutions to grow the pipeline of qualified mental and behavioral health providers who can work in schools across North Carolina.

a) NCCARE360 should expand the inclusion of social and development services to its existing network.

CONTEXT

Financial incentive programs offer scholarships with service requirements, educational loans with a service option, and loan repayment or forgiveness programs to encourage mental and behavioral health providers to work in regions that are rural or underserved. In North Carolina, there are some incentives to attract and retain behavioral health providers, particularly in underserved areas. These incentives aim to address workforce shortages and ensure access to essential mental health services for children, families, and other vulnerable populations.⁶⁰

The North Carolina Department of Public Instruction (DPI) oversees the state's public education system and plays a key role in ensuring that schools have the resources and workforce necessary to support student well-being. By expanding partnerships with universities, community colleges, and training institutions, DPI can help develop targeted workforce strategies, such as school-specific behavioral health training programs, scholarships, and incentives, to attract professionals who can serve students directly in school settings. This is particularly important in rural and underserved areas where access to school-based mental health providers remains a challenge. DPI's involvement ensures that educational and workforce development strategies are aligned with the needs of North Carolina's public schools, that mental and behavioral health professionals are adequately trained, and that professionals are placed where they are most needed.⁶¹

It is also critical to prioritize preceptorship opportunities in rural and other underserved communities to adequately grow the workforce. Preceptorship programs provide students with hands-on experience, helping to bridge the gap between academic learning and practical application. These opportunities allow future mental and behavioral health providers to develop essential skills while gaining exposure to the specific needs of children and families in diverse educational environments. By embedding trainees in school-based and community settings, preceptorships also help foster long-term relationships between new providers and the communities they serve, hoping to increase retention and workforce stability.⁶²

Minority-serving institutions, including Historically Black Colleges and Universities (HBCUs), play a critical role in training professionals of color, yet they often lack the funding, infrastructure, and support needed to expand mental and behavioral health programs. By investing in these

institutions, education-focused and philanthropic organizations can increase the pipeline of diverse mental health providers and ensure that North Carolina's workforce better represents and meets the needs of historically marginalized communities.⁶³

WHY DOES THE UPDATE COMMITTEE RECOMMEND THIS STRATEGY?

With increasing rates of mental health challenges among children and families, the demand for qualified professionals far exceeds the current supply. Rural and underserved areas in particular face significant provider shortages, leaving many families without access to essential care. Workforce development strategies, such as training programs, scholarships, and financial incentives, can help address these gaps by attracting new professionals to the field and retaining existing ones. Partnerships with universities, community colleges, and training institutions are necessary to build a sustainable pipeline of providers equipped to meet the complex needs of North Carolina's diverse population. By prioritizing these efforts, funders and educational organizations can help ensure that children and families across the state receive timely, high-quality mental and behavioral health services, fostering healthier communities and reducing the long-term impacts of unmet mental health needs.

DESIRED RESULT

To create a sustainable and diverse pipeline of qualified mental and behavioral health providers across North Carolina, ensuring that children and families, particularly in underserved areas, have access to high-quality, timely care.

ALIGNMENT ACROSS NC

- **North Carolina Area Health Education Centers (NC AHEC)** support educational activities and services with a focus on primary care in rural communities and those with less access to resources. They assist in securing community practitioners to precept students and help schools recruit new community sites for learning.
- **The North Carolina Center on the Workforce for Health** brings together health stakeholders from across the state to discuss and address ongoing health workforce shortages. It serves as a repository for reliable health workforce information and acts as a catalyst for developing pathways into the health care field.

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- **The North Carolina Healthcare Association** offers grants to rural hospitals to support workforce development activities, including leadership training and initiatives to address workforce burnout and resilience.
- **The Program on Health Workforce Research and Policy at the Cecil G. Sheps Center for Health Services Research at UNC-Chapel Hill** conducts studies to inform health workforce policy at national, state, and regional levels. Within this program, **the Sheps Health Workforce NC** serves as a comprehensive state resource that conducts research and analysis on North Carolina's health workforce.

Strategy 5

NC Medicaid should sustain and expand ongoing telehealth services focused on mental and behavioral health access in rural and underserved areas, including outreach, awareness, and prevention strategies focused on children and caregivers.

CONTEXT

During the COVID-19 pandemic, North Carolina significantly expanded the use of telehealth services for behavioral health to ensure continuity in care. Behavioral health providers, including community health centers and private practices, quickly adapted to deliver virtual services to meet patient demand during lockdowns and social distancing periods. Telehealth became a critical tool for reaching rural and underserved areas, where access to behavioral health providers was already limited pre-pandemic. Payers across North Carolina quickly updated their policies to cover new services and allow for new flexibilities.

Currently, NC Medicaid reimburses for medically necessary telehealth services without prior authorization. However, well-child visits and post-partum screenings were among the telehealth services scheduled to end, as were services provided by children's developmental service agencies—the local lead agencies for the North Carolina Infant-Toddler Program. These agencies' responsibilities include contacting families of young children with special needs who may be eligible for the program and providing initial services.⁶⁴ The discontinuation of these services could create further barriers; without sustained access to telehealth, children and postpartum individuals may experience delays in critical screenings and interventions.

Expanding telehealth services would help to ensure consistent access to mental and behavioral health services, particularly in rural and

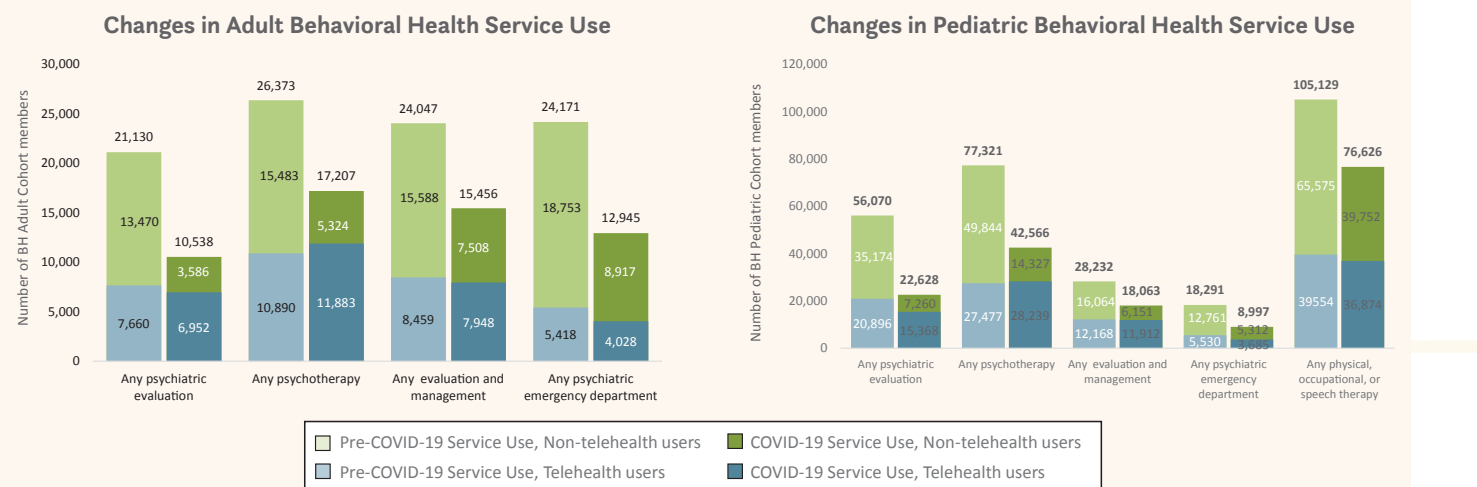
underserved areas, where provider shortages and transportation barriers often make care far more difficult. Telehealth expands access to critical services such as therapy, early intervention, and behavioral health screenings, allowing children to receive timely support without long travel times or logistical challenges. Additionally, incorporating outreach, awareness, and prevention strategies ensures that caregivers and families are educated on recognizing early signs of behavioral health needs and accessing appropriate interventions. By reducing gaps in care and increasing availability of mental health resources, this strategy promotes early identification and treatment, ultimately improving long-term developmental and emotional outcomes for children.

WHY DOES THE UPDATE COMMITTEE RECOMMEND THIS STRATEGY?

Telehealth has proven to be an effective tool for addressing mental and behavioral health disparities, particularly in rural and underserved areas where access to in-person care is often limited. By sustaining and expanding telehealth services, NC Medicaid can ensure that children and caregivers in these areas have consistent access to crucial mental health support, reducing barriers such as transportation challenges, provider shortages, and stigma associated with seeking care.

Expanding telehealth services also supports early identification and prevention of mental health challenges in children and caregivers by increasing access to screenings, therapy, and preventive interventions.

Figure 1.
Changes in Behavioral Health Service Use During the COVID-19 Pandemic by Telehealth User Status



Source: <https://www.ncdhhs.gov/tele-transformation-north-carolina-supporting-charts/download?>

Outreach and awareness efforts can further educate families about available telehealth options, ensuring they can take advantage of these services. This strategy aligns with broader goals of equity and health system efficiency, addressing both immediate needs and long-term disparities in behavioral health care.

DESIRED RESULT

To ensure equitable access to mental and behavioral health services for children and caregivers in rural and underserved areas through sustained and expanded telehealth options, outreach, and prevention efforts.

ALIGNMENT ACROSS NC

- **The North Carolina Telehealth Network Association** supports telehealth infrastructure across the state, working with health care providers, including behavioral health practitioners, to ensure equitable access to telemedicine services.
- **The NC Psychiatry Access Line (NC PAL)** provides telehealth consultation and support to pediatricians and primary care providers to help identify and manage children's mental health needs.

Strategy 6

The North Carolina General Assembly should provide additional funding to NCDHHS to increase funding for school-based health centers and co-located behavioral health services. This would also initiate funding of the North Carolina School-Based Health Alliance to support the training and technical assistance and support needs for current and developing school-based health centers and programs in NC.

CONTEXT

School-based health centers (SBHCs) are comprehensive health clinics located within or near schools that provide primary care, behavioral health, and preventive services to students. These centers are designed to increase access to health care, reduce absenteeism, and address health disparities, particularly for children in underserved and rural communities. SBHCs are typically operated through partnerships between schools, local health departments, hospitals, federally qualified health centers (FQHCs), and community-based organizations. Throughout the state, over 30,000 students receive health care through over 90 SBHCs.⁶⁵ However, the amount of funding allocated to the SBHCs has remained stagnant over the last 25 years. In that same timeframe, the number of SBHCs in North Carolina has increased; with more centers receiving partial funding from the state, the total amount provided to each SBHC has decreased (personal email communication with Stephanie Daniel, PhD, on January 31, 2025).

The North Carolina School-Based Health Alliance (NCSBHA) is a nonprofit organization that supports a key role in expanding the numbers of SNHCs in North Carolina and has led the way in assuring accessible, affordable, and quality health care in school-based health centers. NCSBHA supports SBHCs by advocating for funding, providing training and technical assistance, and promoting best practices to expand school-based health services across the state.⁶⁶

In December 2024, NCDHHS announced a \$1.5 million investment to expand behavioral health services across the state; however, this funding will only be used for 10 school-based health centers out of the over 90 centers that exist in North Carolina.⁶⁷

Funding should include building infrastructure to facilitate collaboration among school-based health centers, community health organizations, and Smart Start, ensuring the capacity to offer expanded counseling, trauma-informed care, and developmental screenings.

WHY DOES THE UPDATE COMMITTEE RECOMMEND THIS STRATEGY?

This would allow for the expansion of school-based health centers and programs to support the medical, nutrition, and behavioral health needs for students, families, and school district employees. School-based health centers (SBHCs) and co-located behavioral health services play a critical role in improving access to care for children and adolescents, particularly in underserved areas. Many children rely on schools as their

primary access point for health services, including mental and behavioral health care, yet funding constraints limit the availability and sustainability of these programs.

By increasing funding for SBHCs and behavioral health services, North Carolina can expand preventive care, reduce health disparities, and provide early interventions for students struggling with mental health challenges. Additionally, supporting the North Carolina School-Based Health Alliance would ensure that SBHCs receive the necessary training, technical assistance, and infrastructure support to enhance service delivery. This investment aligns with the state's broader goals of improving youth mental health outcomes, reducing absenteeism, and strengthening school-community partnerships to address the growing behavioral health needs of students.

DESIRED RESULT

To expand access to school-based health and behavioral health services, ensuring that students receive comprehensive care while supporting the sustainability and effectiveness of school-based health centers through increased funding, training, and technical assistance.

ALIGNMENT ACROSS NC

- **The NC Psychiatry Access Line (NC PAL)** provides training and consultation for pediatricians and primary care providers, supporting their role in delivering behavioral health care within school settings.
- **NCPC/Smart Start** regularly highlights the importance of integrated school-based care in early childhood development and family well-being.
- **CaroNova** addresses the youth mental health crisis in the Carolinas by collaborating with critical stakeholders to develop comprehensive systems of care that integrate emotional and social well-being with traditional mental health supports.

SCHOOL-BASED SUPPORTS FOR PHYSICAL, MENTAL, AND BEHAVIORAL HEALTH

School-Based and School Linked Services

School-based health centers (SBHCs) are partnerships between schools and community health organizations that offer comprehensive, integrated health care to middle and high school students. Services offered include primary care, mental health, oral health, and vision services with some centers offering additional services such as mobile medical clinics, wellness centers, and telemedicine.⁶⁵ These SBHCs are located in or next to schools, so they are convenient and accessible. There are more than 90 SBHCs across NC serving over 30,000 students, and in FY 2024 – 2025, the North Carolina Department of Health and Human Services (NCDHHS) funded 30 of these centers.⁶⁸

According to the NC School-Based Health Alliance, there is evidence of the many benefits of SBHCs,⁶⁹ including increased adolescent access to health care, reduced health and educational disparities, increased graduation rates, boosted academic success, and reduced health care costs.

Statewide Support for School Health

The North Carolina School-Based Health Alliance⁶⁶ is a non-profit that builds the capacity of school-based and school-linked health centers across the state through training, technical assistance, evaluation, education and public policy, communications, and other infrastructure supports.

The NC Department of Health and Human Services Division of Child and Family Well-Being (DCFW) provides financial support to school health centers through an application process. Funded *comprehensive centers* are required to provide basic services plus 4 comprehensive services: preventive health, medical, nutrition and mental health services. *Funded alternate model centers* are required to provide basic services and at least 1 of the 4 comprehensive services. Centers that are funded by NCDHHS must meet performance measures and submit regular reports.

NCDHHS DCFW also houses the School Health Nurse Consultant team, which provides consultation and technical assistance to school nurses and other school staff to ensure that student wellness and health needs are addressed.⁷⁰ The team focuses on improving the quality of school health programs and state, regional, and specialty practice. They achieve their goals through collaboration with multidisciplinary specialists across the Division of Child and Family Well-Being, the Division of Public Health, and community partners.

The NC Department of Public Instruction (DPI) Healthy Schools initiative is intended to promote the health, well-being, and success of NC students and staff. The initiative uses the *Whole School, Whole Community, Whole Child (WSCC)* framework and best practices to guide its program partnerships, priorities, products, and recommendations.⁷¹ DPI also provides statewide support with consultants for school counseling,⁷² nursing,⁷³ social work.⁷⁴ DPI manages and provides Healthy Schools Data, including the results from the Youth Risk Behavior Survey, the School Health Profiles Survey, and Healthy Active Children Policy Reports.⁷⁵ The Department oversees compliance with the school-based mental health policy⁷¹ that has been mandated by NC law since June 2020.⁷⁶ The law requires the state board of education to adopt a school-based mental health policy, and it requires K-12 schools to adopt and implement a school-based mental health plan that includes a mental health training program and a suicide risk referral protocol.

Staffing

Along with administration and teachers, schools have additional staff who are focused on students' physical and/or mental health, including school nurses, social workers, counselors, and psychologists; however, North Carolina continues to fall far short of national staffing recommendations. The inadequate number of staff in each of these categories leaves many NC schools without daily or full-time coverage of 1 or several types of support staff, which has been a topic presented to and discussed by the NC Child Fatality Task Force (CFTF) for several years.⁷⁷ Funding to increase the number of school nurses, social workers, counselors, and psychologists to close the gap between current staffing and nationally recommended ratio standards for each category is on the 2025 CFTF Action Agenda, just as it has been on annual action agendas since 2021. Prior to that, a call to increase the number of school nurses was on the NC CFTF action agendas each year between 2016–2019 as part of suicide prevention efforts.⁷⁸

Figure 1.
Specialized Instructional Support Personnel Ratios



PowerPoint Presentation (slide 47) – presented to the NC Child Fatality Task Force Intentional Death Committee meeting on 8/29/2024 as part of a School Mental Health Update by Ellen Essick, Ph.D., Section Chief; Les Spell, Data & Policy Consultant Healthy Schools and Specialized Instructional Support Office of Academic Standards, NC Department of Public Instruction. <https://webservices.ncleg.gov/ViewDocSiteFile/89787>

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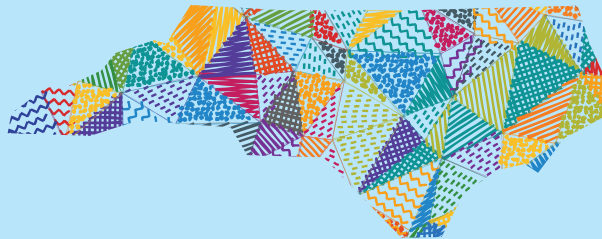
CHAPTER 5 – REFERENCES

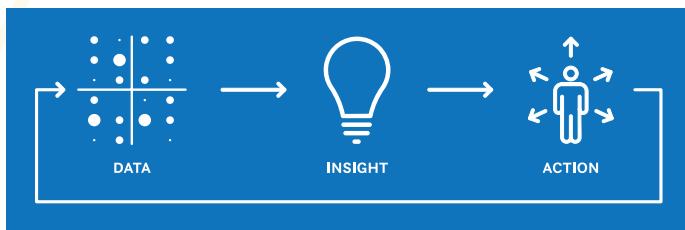
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6

CHAPTER SIX Data To Action

- 104** **RECOMMENDATION 12**
Allocate funds to ensure the long-term sustainability of a newly-developed surveillance system.
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The concept of data to action refers to the process of transforming data into meaningful insights that drive informed decision-making and pragmatic actions. It involves collecting, analyzing, and interpreting data, then using those data insights to implement and/or modify strategies and policies that lead to tangible outcomes. This helps to ensure that data become a foundation for impactful actions that address specific goals, challenges, or needs. Data are used to define the problem, identify risk and protective factors, develop and test prevention strategies, and ensure widespread adoption of these strategies.¹

With this Essentials for Childhood update, data to action will help build partnerships to utilize the data more effectively, driving collaborative solutions that promote safe, stable, and nurturing relationships and environments for children. These partnerships will empower stakeholders across sectors—such as health care, education, and community organizations—to share insights, align efforts, and implement evidence-based strategies. By doing so, early childhood outcomes can be enhanced, the long-term effects of adverse experiences can be reduced, and stronger, healthier communities for future generations can be built.

To begin the process of collecting data to best determine the best course of action, the Centers for Disease Control and Prevention (CDC) recommends 4 steps:

- Use partnerships to help identify, gather and synthesize relevant data
- Take stock of existing data
- Identify and fill critical data gaps
- Use the data to support other action goals and steps²

Emphasizing the role of continuous monitoring and evaluation ensures that strategies are adjusted and improved over time based on new findings and changing circumstances. Additionally, fostering a culture of data literacy and capacity building among affected parties can amplify the impact of data-driven actions, enabling more effective communication, understanding, and use of data insights.

The goal of child maltreatment data tracking or surveillance is to systematically collect and interpret data in order to inform an effective response at the population level. Data are also utilized to evaluate programs and inform the development of key performance indicators.³ Data help identify patterns of child maltreatment and other ACEs, including demographic, geographic, and socioeconomic trends. Beyond risk, data also highlight PCEs and other protective factors like parental

resilience, access to support systems, or early childhood education programs.⁴

Historically, child welfare systems often respond after maltreatment occurs. Data to action focuses on primary prevention by identifying and addressing risk factors early. In addition, the development of surveillance systems that accurately track population-level trends in child maltreatment and other ACEs can increase awareness of the issue, helping to improve practices in child protection.³

When applied effectively, data to action transforms raw numbers into informed strategies that prevent ACEs, address social drivers of health (SDoH), promote PCEs, and improve the well-being of children and families.

There are many benefits to improving access to ACEs and PCEs data, but these data also require providing historical and contextual origins to ensure that the data are being sourced ethically.⁴ Concerns include avoiding further harm or distress from participating in research, appropriate responses to children when they disclose abuse and risk factors, obtaining consent, and ensuring confidentiality when children are providing information about abuse. Cultural diversity and cultural competency are also important factors to consider when collecting ACEs and PCEs data; language use and belief systems can have a significant impact on the conceptualization of child maltreatment, other ACEs, and PCEs.³

Child welfare agencies, human services organizations, public health agencies, and other sources often house data in research repositories or public systems that subsequently flow into centralized data collection efforts. While some sources are designed for surveillance, others serve as performance or outcome indicators, and data are often analyzed in isolation. Combining multiple sources and ensuring comprehensive analysis can provide a clearer understanding of child maltreatment and ACEs trends and inform tailored interventions for children and families.³

Alternatively, inconsistencies in how child maltreatment and other ACEs are reported and defined across jurisdictions create challenges for interpretation. Variations in state and local laws, reporting thresholds, and agency protocols can result in disparities in data collection and analysis, making it difficult to accurately compare trends or assess the effectiveness of prevention efforts. For instance, what constitutes neglect in 1 state might not meet the same criteria in another, leading to gaps in understanding the true scope of the issue. These inconsistencies can also hinder cross-sector collaboration, as agencies working together may operate with different definitions and reporting practices.

Moreover, effective use of shared maltreatment data requires that stakeholders agree on the purpose of data engagement, agree on methodologies for gathering and interpreting information, and articulate

shared values and goals to ensure mutually beneficial outcomes. To fully support prevention, data processes should be inclusive, equitable, and reflect the entire continuum of prevention efforts. Addressing these challenges requires standardized definitions, improved data-sharing agreements, and consistent training for professionals involved in identifying and reporting child maltreatment and other ACEs.

NEW NORTH CAROLINA SURVEILLANCE SYSTEM

The Centers for Disease Control and Prevention defines public health surveillance as “the collection, analysis, and use of data to target public health prevention.”⁵ A critical first step in preventing ACEs is to use surveillance to understand the scope of the problem. Therefore, surveillance strategies are needed to understand where ACEs and PCEs occur and who is at greatest risk for ACEs and their related consequences. An ACEs surveillance system will allow agencies and organizations within NC to track this information, as well as use it to inform prevention strategies and evaluate the effectiveness of those approaches.

The development of the North Carolina ACEs surveillance system is funded by the Centers for Disease Control and Prevention through the Essentials for Childhood: Preventing Adverse Childhood Experiences through Data to Action initiative.⁶ The system is being created in partnership between the Injury and Violence Prevention Branch (IVPB) in the NCDHHS Division of Public Health (DPH) and researchers from the Injury Prevention Research Center at UNC-Chapel Hill. Once the CDC funding ends in 2028, the surveillance system will be housed in the IVPB and will be managed by individuals with expertise in injury epidemiology. The surveillance system will compile indicators of ACEs, PCEs, social drivers of health, and risk factors for ACEs from existing data sources into 1 dataset to track the magnitude of these indicators at the state and county levels. Potential indicators to include in the system were identified in the academic literature and finalized through a series of meetings with a working group comprised of individuals with expertise in child and family data sources.

Table 1 includes examples of indicators that will be included in the surveillance system. Staff at DPH will use the surveillance system to monitor trends in the magnitude of these indicators. Specifically, they will analyze the data to identify significant trends indicating an increase in ACEs/decrease in PCEs. When these trends are identified, agencies such as local health departments and Smart Start partnerships in the county will be contacted and connected to prevention strategies specific to their concerns, as identified by the data.

Table 1.
Surveillance system indicators

	INDICATOR	DATA SOURCE
ACE	Investigated child abuse or neglect case records	Child Welfare Data
ACE	Mental health status (adult)	National Syndromic Surveillance Program
ACE	Substance use disorder (adult)	National Syndromic Surveillance Program
PCE	Adult mentor	National Survey of Children's Health
PCE	Participated in 1 or more organized activity	National Survey of Children's Health
PCE	Supportive neighborhood	National Survey of Children's Health
SDOH	Food insufficiency	American Community Survey
SDOH	Unemployment	County Health Ranking
SDOH	% Children in poverty	County Health Ranking

RECOMMENDATION #12

The North Carolina General Assembly should allocate funds to ensure the long-term sustainability of the newly developed surveillance system.

Strategy 1

These funds will support the creation of a new data analyst role in the North Carolina Department of Health and Human Services (NCDHHS) Division of Public Health to support regular data updates and related communication strategies, as well as staff time dedicated to continuous monitoring and analysis of critical data related to ACEs, PCEs, and other types of child and family injury and violence.

CONTEXT

Comprehensive data collection and analysis are critical for shaping effective public health policies and programs, particularly those aimed at preventing adverse childhood experiences (ACEs) and promoting positive childhood experiences (PCEs). In North Carolina, efforts to monitor child and family injury, violence, and related risk factors have been historically challenged by fragmented data systems, inconsistent reporting, and limited resources for ongoing data analysis.

The development of a new surveillance system will allow for the consolidation and tracking of key indicators related to childhood adversity and protective factors. However, for this system to remain effective and drive actionable policy changes, it requires sustained funding, dedicated personnel, and continuous updates. Without long-term investment, the system risks becoming outdated, limiting its ability to identify trends, target interventions, and inform decision-making at both state and local levels.

Data evaluation and dissemination is critical to continuously assess whether current strategies are achieving the goal of prevention.¹ Increased capacity for this surveillance system will inform statewide prevention needs.

WHY DOES THE UPDATE COMMITTEE RECOMMEND THIS STRATEGY?

Developing a surveillance system that reliably and accurately captures trends in ACEs, PCEs, and social drivers of health (SDoH) can increase public awareness of the issues, inform the need for new or modified programs and policies, maximize the impact of resources, and improve prevention initiatives.

By allocating funds to support a new data analyst role within the NCDHHS Division of Public Health, North Carolina can ensure that the surveillance system remains a reliable and responsive tool for tracking progress in ACEs prevention and PCE promotion. Additionally, securing dedicated staff time for data monitoring and communication strategies will allow for regular dissemination of findings to policymakers,

community organizations, and other stakeholders—ensuring that data-driven solutions remain at the forefront of public health efforts. Having a dedicated data analyst in the Division of Public Health will help improve the accuracy, timeliness, and accessibility of data related to ACEs, PCEs, SDoH, and child and family injury and violence. This will allow state agencies, community organizations, and policymakers to make data-driven decisions, allocate resources more effectively, and adapt policies and programs based on emerging trends.

DESIRED RESULT

To ensure the long-term sustainability and effectiveness of North Carolina's surveillance system by securing dedicated funding and personnel to support continuous data collection, analysis, and dissemination, enabling data-driven policies and interventions that prevent ACEs and promote PCEs.

ALIGNMENT ACROSS NC

- **The North Carolina Child Fatality Task Force** advocates for better data collection and surveillance systems related to child maltreatment, injury prevention, and family violence.
- **UNC Chapel Hill's Jordan Institute for Families** conducts statewide evaluations on child health and welfare and contributes to policy development using evidence-based data.
- **Positive Childhood Alliance NC (PCANC)** encourages data-driven child well-being policies, including monitoring ACEs and PCEs through public policy and community-based interventions.
- **NCDHHS** has a Child Behavioral Health Dashboard, which includes key metrics on behavioral health diagnoses for children and adolescents, as well as risk factors and utilizations of emergency departments.

Strategy 2

The data analyst and additional supporting staff should disseminate this information by connecting to communities and child health partners to support the implementation of evidence-based strategies.

CONTEXT

Community and child health partners can support the implementation by:

- **Integrating Data into Practice:** Using state and local data on ACEs, PCEs, SDoH, and child health outcomes to guide program development, service delivery, and targeted interventions.
- **Expanding Preventive Services:** Implementing universal screenings, early intervention programs, and trauma-informed care models in pediatric and family health settings.
- **Enhancing Community Partnerships:** Collaborating with schools, social services, mental health providers, and community organizations to strengthen a coordinated system of care for children and families.
- **Advocating for Policy Change:** Using existing data and evidence-based research to inform policymakers, secure funding, and support legislative efforts that promote financial stability, child well-being, and equitable access to services.
- **Training and Education:** Providing ongoing training for health care providers, educators, and caregivers on best practices for addressing childhood adversity and fostering resilience.
- **Improving Access to Resources:** Helping families navigate Medicaid, early childhood programs, behavioral health services, and social supports to reduce barriers to care.
- **Evaluating Program Effectiveness:** Regularly assessing and adjusting interventions based on outcomes and new research, ensuring that strategies remain relevant and effective.

WHY DOES THE UPDATE COMMITTEE RECOMMEND THIS STRATEGY?

For data to be actionable, it must be effectively communicated to those who can implement solutions, such as community organizations, health care providers, child welfare agencies, and policymakers.

Currently, many communities and child health partners in North Carolina lack access to timely, user-friendly data that could help them tailor interventions, secure funding, and advocate for policies that improve child and family well-being. By ensuring that a dedicated data analyst and other staff are responsible for disseminating key findings, translating complex data into actionable insights, and fostering partnerships with local stakeholders, North Carolina can bridge the gap between research and real-world application. Through collaborative efforts with child health networks, community leaders, and service providers, this strategy will ensure that evidence-based strategies are informed by the latest data, adapted to local needs, and continuously refined based on outcomes.

DESIRED RESULT

To ensure that data on ACEs, PCEs, SDoH, and child health outcomes are effectively shared with communities and child health partners, enabling them to implement evidence-based strategies that improve child and family well-being across North Carolina.

ALIGNMENT ACROSS NC

- **NC Child** address policies affecting the whole child, including health and well-being, early childhood education, and family financial economic security through evidence-based approaches. NC Child also releases annual data cards that are county-level snapshots providing key indicators on child health, well-being, education, and economic security in North Carolina.
- **Positive Childhood Alliance NC (PCANC)** collaborates with statewide partners to support policies that strengthen families and prevent child maltreatment, focusing on research-based approaches to create safe, stable, and nurturing environments for children.
- **The Duke Center for Child & Family Policy** researches child well-being metrics and evidence-based policy solutions for child health and family stability.
- **The North Carolina Early Childhood Foundation (NCECF)** uses statewide early childhood data to inform best practices in health, education, and economic stability for families.
- **NCPC/Smart Start** implements early childhood interventions informed by statewide and local child health data.

RECOMMENDATION #13

Utilize child care workforce data to inform strategies for improving family financial stability, employee retention, and overall economic development.

Strategy 1

The NC Department of Health and Human Services Division of Child Development and Early Education (DCDEE), in partnership with local Resource and Referral Agencies and Early Years, should leverage data from the annual child care workforce study. Based on these findings, the listed organizations should provide policymakers with recommendations to address workforce gaps impacting parental employment.

CONTEXT

The Division of Child Development and Early Education (DCDEE) is a division within the North Carolina Department of Health and Human Services (NCDHHS) that oversees early childhood education and child care programs across the state. DCDEE is responsible for licensing and regulating child care facilities, administering child care subsidies, supporting the NC Pre-K program, and promoting workforce development for early childhood educators. It also manages initiatives to improve child care quality, ensure health and safety standards, and expand access to high-quality early learning opportunities for families and children.⁷

North Carolina's Child Care Resource and Referral (CCR&R) Agencies provide local-level support for families, child care providers, and communities to enhance access to high-quality early childhood education and child care services. These agencies operate under the NC Child Care Resource & Referral (CCR&R) Network, which is supported by Early Years (formerly Child Care Services Association) and the North Carolina Division of Child Development and Early Education (DCDEE). Key roles of local R&R agencies include helping families find child care, supporting child care providers, promoting high-quality early learning environments, and assisting with emergency and disaster response for child care.⁸

Early Years NC (formerly Child Care Services Association, or CCSA) is a nonprofit organization dedicated to improving access to high-quality early childhood education in North Carolina. Early Years NC provides resources, technical assistance, and advocacy to support families, child care providers, and policymakers in strengthening the early childhood system.⁹

The North Carolina Annual Child Care Workforce Study is a comprehensive analysis conducted to assess the state of the early childhood education workforce across North Carolina. It is typically led by Early Years NC in collaboration with DCDEE and other stakeholders. The study collects critical workforce data to inform policy, funding, and workforce development initiatives aimed at strengthening the child care

system. It provides data-driven insights to shape early childhood policy and funding priorities; supports efforts to increase wages, benefits, and career pathways for child care workers; and helps track the impact of workforce initiatives such as wage supplements and education programs. The findings from the study are used by policymakers, advocates, and early childhood leaders to strengthen North Carolina's early learning system and address the critical workforce crisis in child care.¹⁰

The 2023 report, "Working in Early Care and Education in North Carolina," found that:¹¹

- The **statewide average** for early childhood education (ECE) center teaching staff was **\$14.42 per hour**.
- The average director wage was **\$21.63 per hour**.
- **93%** of directors and **99%** of teaching staff **identified as female**.
- **12%** of Family Child Care (FCC) providers had **no health insurance** at all.

WHY DOES THE UPDATE COMMITTEE RECOMMEND THIS STRATEGY?

Gaps in the child care workforce directly impact parents' ability to work and maintain financial stability. Without a sufficient supply of early childhood educators, child care centers struggle to remain open or operate at full capacity, leading to long waitlists and reduced access to care—particularly in rural and underserved areas. This directly affects parental employment by making it harder for families to find affordable, high-quality child care that aligns with their work schedules. By leveraging data from the study, policymakers can better understand workforce shortages, wage disparities, and the challenges faced by child care providers. This evidence-based approach ensures that state and local decision-makers have the necessary information to craft policies and funding solutions that stabilize the child care workforce, improve retention, and expand access to working families.

DESIRED RESULT

To ensure that child care workforce data informs policy decisions that strengthen family financial stability, improve employee retention, and support economic development by addressing workforce gaps impacting parental employment.

ALIGNMENT ACROSS NC

- **The NC Center on the Workforce for Health** examines workforce data to guide policy recommendations.
- **The NC Chamber Foundation** promotes family-friendly workplace policies, employer-supported child care solutions, and economic strategies.
- **NCPC/Smart Start** develops early childhood workforce strategies at the local level.
- **The North Carolina Early Childhood Foundation** utilizes data from workforce studies to inform policymakers about early childhood education workforce challenges and promotes family-friendly workplace policies.

Strategy 2

North Carolina Early Childhood Foundation, Moms Rising, NC Child, NC Chamber Foundation, NC Department of Commerce, Early Years, and the North Carolina Partnership for Children/Smart Start should develop and implement outreach strategies to improve awareness of the connections between a qualified, robust child care workforce and overall economic stability for families and communities. Audiences should include the North Carolina General Assembly, local elected officials, employers and business associations, higher education, and others. Some of these strategies may build on existing work, such as those implemented by Family Forward NC and recommended in the 2024 Untapped Potential report.

CONTEXT

A strong and qualified child care workforce is essential not only for early childhood development, but also for economic stability in North Carolina. Families rely on accessible, high-quality child care to participate in the workforce, and businesses benefit from improved employee retention and productivity when workers have reliable child care options. However, chronic workforce shortages, low wages, and high turnover in the child care sector threaten the availability of care, creating barriers for both families and employers.

The North Carolina Early Childhood Foundation (NCECF) specializes in data-driven policy solutions and public awareness campaigns related to childhood and workforce issues. NCECF also leads efforts that highlight early childhood investments and their long-term impact on North Carolina's economy.¹² MomsRising NC is an advocacy organization that mobilizes parents to support family-friendly workplace policies, paid leave, and child care funding. MomsRising NC also engages families, business leaders, and policymakers in promoting investments in the early childhood workforce.¹³ NC Child works to ensure that child care policies support low-income and marginalized communities while advocating for family economic security, child care accessibility, and early learning policies.¹⁴ The NC Chamber Foundation focuses on business-driven solutions for child care as an economic issue¹⁵ and partners with Family Forward NC, an NCECF initiative that encourages employers to invest in child-friendly policies.¹⁶ The NC Department of Commerce leads statewide workforce development and economic stability efforts, and works with businesses, higher education, and local governments to address workforce shortages, including in child care.¹⁷ Early Years NC (formerly CCSA) conducts the annual child care workforce study, providing critical data on workforce size, wages, and turnover.¹⁸ NCPC/Smart Start helps to identify and address regional child care workforce challenges.¹⁹

Family Forward NC is an initiative of the North Carolina Early Childhood Foundation that promotes family-friendly workplace policies to strengthen North Carolina's workforce and economy. It provides research, resources, and employer toolkits to help businesses implement policies such as paid family leave, flexible work arrangements, child care benefits, and health and wellness supports. The initiative highlights how family-supportive policies improve employee retention, productivity, and economic growth while also fostering PCEs for working families. Through employer education, case studies, and advocacy, Family Forward NC encourages North Carolina businesses to invest in workplace practices that support both business success and family well-being.¹⁶

Untapped Potential is a 2024 report developed in partnership with the NC Chamber Foundation and NC Child. It examines the economic impact of child care challenges on North Carolina's workforce and economy. The report highlights how a lack of accessible, affordable child care limits workforce participation, particularly for parents of young children, and contributes to labor shortages across industries. It quantifies the financial toll of these challenges, including lost earnings, reduced business productivity, and decreased tax revenues. *Untapped Potential* also offers policy recommendations and employer strategies to improve child care access, strengthen the workforce, and enhance economic stability for families and businesses.²⁰

WHY DOES THE UPDATE COMMITTEE RECOMMEND THIS STRATEGY?

By developing and implementing outreach strategies, the named organizations can raise awareness among policymakers, business leaders, and higher education institutions about the economic impact of a well-supported child care workforce. These efforts can build on initiatives like Family Forward NC and insights from the 2024 *Untapped Potential* report, which highlight how family-friendly workplace policies and investments in child care strengthen North Carolina's economy. Aligning child care workforce stability with economic development strategies will encourage cross-sector collaboration and targeted policy solutions to support working families and drive economic growth. This cross-sector approach ensures that outreach efforts engage multiple audiences, leverages data and economic research, amplifies parent and employers' voices, and aligns existing initiatives to create a cohesive strategy for workforce and economic development.

DESIRED RESULT

To increase public and policymaker awareness of the vital connection between a strong child care workforce and overall economic stability, leading to informed policy decisions and investments that support families, businesses, and North Carolina's economy.

ALIGNMENT ACROSS NC

- **The NC Justice Center** engages in policy advocacy for financial supports, including child care affordability and workforce investments.
- **United Way of North Carolina** works on local and statewide initiatives to expand access to child care and improve family economic mobility.

Strategy 3

The North Carolina General Assembly should ensure that the Early Childhood/School Age Workforce Registry, currently being developed by Early Years NC using funds received by the state through the American Rescue Plan Act, is sufficiently and sustainably funded in order to inform ongoing policy development. This registry should also be made mandatory.

CONTEXT

A child care workforce registry is a statewide system designed to collect and track data on early childhood educators, including their qualifications, professional development, and employment history. The registry serves as a tool to support workforce planning, inform policy decisions, and provide resources for child care professionals. It aims to improve workforce data collection, support professional development, enhance workforce planning, and facilitate credentialing and licensing. The registry is funded in part by American Rescue Plan Act (ARPA) funds, as part of broader federal efforts to stabilize and strengthen the child care sector in response to the COVID-19 pandemic. ARPA funding, allocated to North Carolina through the Division of Child Development and Early Education (DCDEE), was used to help develop the registry as a critical workforce tool. The funds were used to establish the infrastructure needed for a comprehensive, statewide system to collect, manage, and analyze workforce data.²¹

However, as of February 2025, North Carolina is 1 of only 7 states without a formal Early Childhood/School Age Workforce Registry.²² Significant progress has been made, as efforts have been underway to establish a registry; in 2021, Early Years, supported by the Z. Smith Reynolds Foundation, partnered with Public Consulting Group to plan and develop this registry.²² And while North Carolina does have multiple systems that support early care and education, these systems cannot interface with each other, making it challenging to understand what data are being collected and reported.²²

Making the child care workforce registry mandatory once implemented ensures that the data collected is comprehensive, accurate, and representative of North Carolina's child care workforce. A mandatory registry would improve workforce data accuracy; a voluntary registry can lead to incomplete data, limiting its usefulness for workforce planning and policy decisions.

WHY DOES THE UPDATE COMMITTEE RECOMMEND THIS STRATEGY?

Although ARPA funding provides a foundation for launching the registry, sustained funding will be necessary to maintain and expand its capabilities beyond the federally funded period. A comprehensive, well-funded, and mandatory child care workforce registry is essential for addressing North Carolina's child care workforce crisis and ensuring data-driven policy decisions that support workforce stability and child care access. By ensuring sufficient and sustainable funding for the

child care workforce registry, the NCGA can help create long-term infrastructure that tracks workforce trends, qualifications, wages, and retention rates.

DESIRED RESULT

To secure sustainable funding and mandatory participation for North Carolina's child care workforce registry to support informed and effective policy development.

ALIGNMENT ACROSS NC

- **The North Carolina Early Childhood Integrated Data System (NC ECIDS)** serves as a single source for integrated early childhood data across education, health, and social services programs. It aims to provide insights into early childhood service utilization, which can inform policy and program decisions.
- **The North Carolina Early Education Coalition** is dedicated to promoting high-quality, accessible, and affordable child care. Their initiatives emphasize the importance of effective policies and programs for young children.

RECOMMENDATION #14

A Collaborative Action Council including the NCDHHS Division of Child Development and Early Education, NC Child, North Carolina Partnership for Children/Smart Start, NC Chamber Foundation, NC Department of Commerce, North Carolina Child Care Resource and Referral Council, Cape Fear Collective, child care employers, philanthropic organizations, business leaders, community organizations, and policymakers should establish shared goals, coordinate resources, and leverage data to mitigate child care workforce shortages.

See Recommendation 3.1 in the Appendix for the original recommendation.

Strategy 1

Early Years, NCPCC/Smart Start, NC Child, and the Division of Child Development and Early Education, along with other early childhood-focused partners, should serve as the designated sources identifying existing data, coordinating stakeholders, providing data-driven insights, and identifying successful initiatives.

CONTEXT

In January 2021, Early Years, formerly known as Child Care Services Association (CCSA), with the support of the Z. Smith Reynolds Foundation, launched the process for a North Carolina Early Childhood/School Age (EC/SA) Workforce Registry²¹ (see Recommendation 12 above). This positions Early Years as a key organization for collecting, analyzing, and coordinating workforce data.

NCPCC/Smart Start is a statewide network that supports early childhood programs, workforce development, and community-based solutions. NCPCC/Smart Start also coordinates funding, technical assistance, and local partnerships to improve child care quality and access. Additionally, NCPCC's role in early childhood data collection and its relationships with child care providers, businesses, and policymakers make it effective in scaling solutions statewide.¹⁹

NC Child is a statewide organization focused on improving outcomes for children and families and plays an important role in ensuring that child care workforce strategies align with broader efforts to improve early childhood systems, economic mobility, and family support.¹⁴

The Division of Child Development and Early Education (DCDEE) is the primary state agency responsible for overseeing North Carolina's early childhood education system, including child care licensing, workforce standards, and funding distribution. As the entity managing key programs such as the child care subsidy system and the workforce registry, DCDEE plays a central role in collecting and utilizing data to inform policy decisions. Its inclusion ensures alignment between workforce strategies and state-level regulations, funding priorities,

and long-term planning efforts. Additionally, DCDEE's authority and partnerships with local agencies, child care providers, and policymakers make it essential for coordinating statewide efforts to strengthen the early childhood workforce.²³

WHY DOES THE UPDATE COMMITTEE RECOMMEND THIS STRATEGY?

These organizations already play critical roles in workforce development, child care quality, and policy advocacy, but their efforts are often siloed. By formalizing their role in identifying existing data sources, coordinating stakeholders, and providing data-driven insights, this strategy aims to ensure that decisions about child care funding, workforce development, and program effectiveness are based on accurate, comprehensive information. Additionally, identifying and scaling successful initiatives will help maximize impact and sustainability, allowing North Carolina to build a stronger, more resilient early childhood system. This coordinated effort will support policymakers, businesses, and community organizations in making informed choices that benefit children, families, and the workforce.

In several states, such as Kentucky, New York, and Ohio, workforce registries have been utilized to analyze the educational backgrounds and professional development needs of early childhood educators. These data have informed policy decisions to establish or revise credentialing requirements and professional development standards. For instance, registries have helped identify gaps in qualifications, leading to the implementation of targeted training programs to elevate workforce competencies.^{24,25}

DESIRED RESULT

To ensure a coordinated, data-driven approach to child care policy and workforce development, leveraging existing expertise and resources to inform effective, sustainable solutions.

ALIGNMENT ACROSS NC

- **The NC Department of Commerce** focuses on workforce development strategies, aligning with efforts to improve compensation, training, and career pathways for early childhood education.
- **NC Child** advocates for statewide workforce investment and policy improvements to ensure a strong child care system.
- **The NC Association for the Education of Young Children** supports child care workforce development through professional training, policy advocacy, and compensation improvement efforts.
- **The Duke Center for Child and Family Policy** researches early childhood workforce trends and employer-based solutions for child care access issues.

Strategy 2

The responsible parties should collaborate to utilize child care workforce data, labor market trends, and employment surveys to monitor and track child care workforce shortages.

CONTEXT

Possible employment surveys include the Workforce Needs Assessment conducted by the NC Department of Commerce or labor markets organizations to identify labor shortages, skill gaps, and regional workforce needs, which can inform child care workforce strategies. Large scale surveys providing comparative data on workforce trends, compensation, and workforce stability across states may also be used as a resource.

Addressing North Carolina's child care workforce shortages requires a data-driven approach to understand trends, identify gaps, and implement effective solutions. Currently, workforce data is collected across multiple agencies and organizations, but there is no fully coordinated effort to analyze and apply this data in a way that directly informs workforce policies and funding strategies. By collaborating to utilize child care workforce data, labor market trends, and employment surveys, responsible parties—including DCDEE, Early Years, NCPC/Smart Start, NC Child, and other early childhood stakeholders—can create a comprehensive picture of workforce shortages.

Tracking workforce supply and demand will help policymakers, businesses, and advocates anticipate future shortages, assess the impact of policy changes, and design targeted workforce investments. This approach also aligns with broader labor market strategies, as child care workforce stability is crucial for North Carolina's overall economy and workforce participation. Ensuring that accurate, up-to-date data is used in decision-making will lead to more effective recruitment, retention, and compensation strategies, ultimately strengthening the child care sector and improving access to quality early learning opportunities for families across the state.

WHY DOES THE UPDATE COMMITTEE RECOMMEND THIS STRATEGY?

Integrating workforce data with broader labor market trends ensures that child care workforce strategies align with economic and workforce development initiatives, ultimately strengthening North Carolina's child care system and expanding access to quality early learning opportunities for families. Additionally, this strategy allows for more targeted workforce investments by identifying geographic areas with the greatest shortages and assessing the impact of compensation initiatives, professional development programs, and retention strategies. It also supports stronger collaboration between child care providers, policymakers, and business leaders by providing clear, data-backed insights into workforce challenges and potential solutions. By leveraging

existing data sources and filling in gaps where needed, this coordinated effort ensures that child care workforce policies are both responsive to immediate needs and sustainable for long-term system stability.

DESIRED RESULT

To centralize and analyze workforce data, streamline stakeholder coordination, and identify effective initiatives that strengthen North Carolina's child care workforce.

ALIGNMENT ACROSS NC

- **The NC Office of State Budget and Management** tracks labor market trends, employment data, and workforce participation rates, which can be integrated with child care workforce data.
- **The Duke Center for Child and Family Policy** conducts research on early childhood workforce challenges and their impact on child care access.
- **The NC Chamber Foundation** engages in workforce development discussions, as child care shortages impact business productivity and labor force participation.

Strategy 3

Cape Fear Collective, in partnership with NCPC/Smart Start and Child Care Resource and Referral agencies, should identify methods of incentivizing child care providers to report their child care workforce data in order to improve diversity of included providers.

CONTEXT

Cape Fear Collective specializes in data-driven solutions and economic development. They strive to ensure that strategies for incentivizing provider participation are designed with a strong emphasis on workforce diversity, inclusion, and community impact. Their experience in leveraging data for workforce solutions makes them well-positioned to help improve the representation of diverse child care providers in workforce reporting.

NCPC/Smart Start is a statewide early childhood network with local partnerships across North Carolina and has direct relationships with child care providers. Their infrastructure and experience in supporting providers through technical assistance and funding mechanisms allow them to help implement and promote effective incentives.

Child Care Resource & Referral (CCR&R) agencies work directly with child care providers to offer professional development, business support, and licensing guidance. Their inclusion ensures that workforce data collection efforts align with the realities of provider operations and that incentives address key barriers, such as the administrative burden of reporting.

Incentives should focus on reducing the administrative burden of data reporting. These incentives could be:

- **Financial**, such as subsidies or reduced license fees
- **Administrative**, such as dedicated technical assistance or simplified reporting requirements
- **Professional development**, such as training discounts and certifications
- **Operational benefits**, such as networking opportunities and priority access to workforce support programs

WHY DOES THE UPDATE COMMITTEE RECOMMEND THIS STRATEGY?

Increasing participation in workforce data reporting is essential for understanding and addressing North Carolina's child care workforce challenges, particularly among underrepresented providers. Currently, workforce data is incomplete, limiting the ability to develop equitable, data-driven policies and targeted support for child care programs. Many providers, especially small, home-based, or minority-owned businesses, face barriers to participation due to the administrative burden of reporting, lack of time, or limited access to technical support.

By combining financial, administrative, and professional incentives, this strategy can make workforce data reporting more attractive and manageable for child care providers, ultimately improving the diversity and accuracy of workforce data.

DESIRED RESULT

To increase participation in workforce data reporting, particularly among diverse and underrepresented child care providers, and to create a more comprehensive understanding of North Carolina's child care workforce needs.

ALIGNMENT ACROSS NC

- **The NC Chamber Foundation** addresses critical challenges impacting North Carolina's economy, including access to quality, affordable child care. By conducting research and disseminating information on child care's economic impact, the foundation supports strategies that strengthen provider sustainability and workforce participation.
- **The NC Division of Child Development and Early Education (DCDEE)** oversees child care provider licensing and workforce regulations, making it a key partner in expanding workforce data collection efforts and ensuring reporting compliance.

Strategy 4

The Collaborative Action Council should leverage data analysis to identify geographic areas and populations most impacted by child care workforce shortages and develop targeted recruitment and retention strategies.

- a) Using insights from labor market trends, workforce data, and community feedback, policymakers should prioritize efforts in underserved regions and communities disproportionately affected by shortages.

CONTEXT

North Carolina, like many states, faces a critical shortage of early childhood educators, exacerbated by low pay, limited benefits, and high job demands.²⁶ This shortage is particularly severe in rural areas and lower-income communities, where providers struggle to attract and retain qualified staff, leading to reduced child care availability and workforce instability.²⁷ As a result, families face limited options for high-quality early learning programs, which can affect children's development and parents' ability to participate in the workforce.

This impacts both child care availability and affordability for families, making it harder for parents to find reliable care that meets their needs and forcing some to reduce work hours or leave the workforce altogether. Limited access to child care can also contribute to economic instability for families and businesses,²⁸ as employers struggle with workforce retention and productivity when employees face child care challenges.

By using data from the Collaborative Action Council, local child care providers will be able to use data from the central sources identified in Strategy 1 to address workforce challenges, allowing them to identify trends in staffing shortages, anticipate future needs, and implement targeted solutions. This data-driven approach can support efforts such as wage incentives, professional development opportunities, and pipeline programs that strengthen the workforce and improve job stability within the sector.

The targeted recruitment and retention strategies could include incentives such as wage supplements, scholarships, training programs, and partnerships with local businesses to improve workforce retention and recruitment. These strategies should be designed to address the root causes of workforce shortages, such as low compensation, limited career advancement opportunities, and geographic disparities in access to training and employment. Expanding public-private partnerships can help create sustainable solutions by engaging philanthropy, workforce development agencies, and local employers to invest in child care workforce stability. Additionally, offering loan forgiveness programs, tax incentives, or stipends for early childhood educators working in high-need areas could make the profession more attractive and financially viable.

WHY DOES THE UPDATE COMMITTEE RECOMMEND THIS STRATEGY?

Addressing these workforce challenges through data-driven strategies ensures that recruitment and retention efforts are targeted to the areas and populations most in need, maximizing the effectiveness of policy interventions and resource allocation. A strong, stable child care workforce is essential for maintaining child care availability, which directly impacts family economic mobility, as parents rely on these services to participate in the workforce.

Beyond workforce stabilization, policymakers and community organizations will be equipped with region-specific insights that allow them to implement tailored solutions and enact regulatory changes informed by real-time workforce data. By ensuring coordinated, data-driven decision-making, this strategy promotes long-term solutions to workforce shortages, strengthens North Carolina's child care infrastructure, and expands access to high-quality early childhood education.

DESIRED RESULT

To create a stable, well-supported child care workforce by using data-driven insights to target recruitment and retention efforts in high-need areas, ensuring that families across North Carolina have consistent access to quality early childhood education.

ALIGNMENT ACROSS NC

- **The North Carolina Center on the Workforce for Health** focuses on addressing the state's health workforce challenges through comprehensive data and analysis and develops targeted strategies to strengthen the workforce.
- **The North Carolina Health Talent Alliance (NC HTA)** is a strategic public-private partnership between the NC Chamber Foundation and the NC Center on the Workforce for Health, established to address critical shortages in the state's health care workforce. The Alliance aims to create sustainable, employer-led talent pipelines across North Carolina by leveraging real-time data to inform workforce development strategies.²⁹

RECOMMENDATION #15

The Cecil G. Sheps Center for Health Services Research (UNC Sheps) should collaborate with NC Medicaid to evaluate standard and tailored plans for their alignment with the goals of preventing adverse childhood experiences (ACEs), growing positive childhood experiences (PCEs), and promoting economic stability.

Strategy
1

As part of this evaluation, a focused review of recent Medicaid policy changes should be conducted by UNC Sheps to identify lessons learned.

- a) The review should specifically address the application of prevention-based strategies such as Healthy Opportunities Pilots, early childhood intervention programs, parenting support and education, mental health screenings, and proactive social services that address the root causes of family stressors.

CONTEXT

UNC Sheps is a leading research center affiliated with the University of North Carolina at Chapel Hill with expertise in health policy evaluation, workforce research, and health service analysis. UNC Sheps can identify gaps, strengths, and opportunities for improvement in addressing social drivers of health and preventing childhood adversity. A key component of this evaluation involves a focused review of recent Medicaid transformation policy changes to extract lessons learned and inform future policy decisions.

An example of a recent transformation was the July 2021 move to NC Medicaid Managed Care.³⁰ These plans aimed to improve care coordination and health outcomes by shifting risk and service management to value-based prepaid health plans (PHPs). These PHPs offer comprehensive services for children and families, including physical health care, behavioral health services, pharmacy benefits, and long-term services and supports. Additionally, PHPs address unmet health-related resource needs, such as housing, food, transportation, and interpersonal violence, through tailored care management.³¹ Notably, the Children and Families Specialty Plan, set to launch on December 1, 2025, will provide integrated and coordinated health care specifically for Medicaid-enrolled children, youth, and families involved in the child welfare system.³²

Tailored Plans were launched in July 2024, offering tailored plans for children with complex needs, those with serious mental illness, severe substance use disorders, intellectual and developmental disabilities, and traumatic brain injuries.³³ Tailored Plans are designed to provide coordinated services across multiple systems, including schools, child welfare, and social services.

North Carolina's ongoing Medicaid transformation, which includes the implementation of tailored plans and innovative health initiatives such as the Healthy Opportunities Pilots, provides an opportunity to assess how well these changes align with evidence-based strategies for early childhood intervention and family support.

WHY DOES THE UPDATE COMMITTEE RECOMMEND THIS STRATEGY?

North Carolina's Medicaid transformation presents a critical opportunity to strengthen its role in preventing ACEs, promoting PCEs, and supporting family economic stability. Given Medicaid's significant reach in serving children and families, ensuring that its policies align with evidence-based prevention strategies is essential for improving long-term health and well-being. As a primary provider of health care, mental health services, and social supports for children and families, it is a key tool in reducing family stressors related to health care costs. North Carolina's shift to Medicaid Managed Care introduced major policy changes, and a systemic evaluation is necessary to identify the effective implementation of prevention-based strategies, gaps in early intervention, parenting support, mental health screenings, and lessons learned from initiatives like HOP.

Medicaid transformation presents a critical opportunity to assess and strengthen policies that prevent ACEs and promote PCEs. Medicaid plays a central role in supporting early childhood health and well-being, yet its effectiveness depends on how well its policies and services align with prevention-focused approaches.

By leveraging the expertise of UNC Sheps, this strategy ensures a data-driven assessment of Medicaid plans to identify strengths, gaps, and areas for improvement. This is essential for understanding how Medicaid policies support parenting education, mental health screenings, early childhood interventions, and proactive social services—all of which are proven strategies to reduce family stressors, mitigate childhood adversity, and improve long-term health outcomes.

DESIRED RESULT

To ensure that North Carolina's Medicaid policies effectively integrate prevention-based approaches that reduce ACEs, promote PCEs, and support family economic stability through data-driven evaluation and policy refinement.

ALIGNMENT ACROSS NC

- **The Division of Child Development and Early Education (DCDEE)** works to ensure that Medicaid policies align with early childhood programs, child care subsidies, and developmental screenings.
- **The Jordan Institute for Families** focuses on family economic stability and child welfare research and other aspects of program implementation and evaluation.
- **NC Child** advocates for early childhood health and family economic security.
- **The Duke Margolis Institute for Health Policy** conducted a qualitative study of the Healthy Opportunities Pilots.
- **Positive Childhood Alliance NC** supports initiatives that prevent ACEs and promote PCEs and aligns with Medicaid early learning systems.
- **NCPC/Smart Start** collaborates with Medicaid to expand early intervention, home visiting, and child care health consultation programs.

Strategy 2

Cape Fear Collective, in partnership with NCPC/Smart Start and Child Care Resource and Referral agencies, should identify methods of incentivizing child care providers to report their child care workforce data in order to improve diversity of included providers.

CONTEXT

The Division of Health Benefits (DHB) is the state agency within the NC Department of Health and Human Services (NCDHHS) responsible for administering NC Medicaid and NC Health Choice programs.³⁴ DHB oversees policy development, program implementation, and funding management to ensure that Medicaid provides access to high-quality, cost-effective health care services for eligible North Carolinians. As North Carolina's Medicaid program continues to evolve, DHB plays a critical role in ensuring that policies align with efforts to improve child and family well-being.

Medicaid serves as a key driver of health and economic stability for low-income families, providing essential coverage for services such as maternal and child health, behavioral health, and social services integration. However, to maximize their impact, Medicaid policies should be continuously evaluated and adjusted to ensure they address the economic and social drivers of health that help to shape long-term family outcomes. This includes factors such as housing stability, food security, access to child care, and workforce participation—all of which influence family stability and child development.

By using evaluation findings to guide policy adjustments, NC Medicaid can implement evidence-based strategies that scale effective interventions statewide. Adjustments may include expanding prevention-based services, integrating Medicaid more deeply with early childhood initiatives, and aligning Medicaid benefits with workforce and economic mobility efforts. Ensuring that Medicaid policies proactively address non-medical factors impacting health will help create a stronger, more resilient system that supports families beyond traditional medical care.

WHY DOES THE UPDATE COMMITTEE RECOMMEND THIS STRATEGY?

North Carolina's Medicaid program plays a critical role in supporting family well-being, particularly for children and families experiencing economic hardship. However, to be most effective, Medicaid policies must evolve to better address the social and economic drivers of health that impact family stability and child development. This strategy ensures that NC Medicaid actively uses evaluation findings to refine and scale effective policy adjustments statewide. The ongoing evaluation (conducted by UNC Sheps) will assess the effectiveness of Medicaid's Standard and Tailored Plans in preventing ACEs, promoting PCEs, and improving economic stability. The findings from this evaluation will highlight gaps, strengths, and best practices that can inform policy changes to ensure Medicaid's approach to prevention and early

intervention is both comprehensive and equitable. By leveraging these insights, NC Medicaid can adjust policies to better address economic and social factors that contribute to childhood adversity and family instability.

DESIRED RESULT

To ensure that NC Medicaid implements data-driven policy adjustments that enhance family stability, reduce childhood adversity, and promote positive early development by addressing economic and social drivers of health statewide.

ALIGNMENT ACROSS NC

- **The Jordan Institute for Families at the UNC School of Social Work** focuses on family well-being, child welfare, and policy research. It has also previously been involved in research and policy recommendations related to Medicaid expansion, social services integration, and economic mobility.
- **The Division of Mental Health, Developmental Disabilities, and Substance Use Services (DMH/DD/SUS)** works on behavioral health initiatives within Medicaid that address childhood trauma and family stability.
- **NCPC/Smart Start** works on early childhood interventions that intersect with Medicaid services, such as early screenings and home visiting programs.

Strategy 3

Philanthropy and other related funders should provide funding for the dissemination and application of lessons learned from this initiative.

CONTEXT

Medicaid is 1 of the largest funders of health and social services for low-income families,³⁵ yet policy improvements are needed to ensure it effectively addresses social drivers of health, economic stability, and early childhood well-being. Philanthropic funding can help identify and scale best practices within Medicaid, ensuring the program moves beyond reactive medical care to preventing ACEs and fostering PCEs.

Philanthropic funding has the ability to accelerate progress and innovation where it is needed most. It plays a critical role in funding initiatives by providing flexibility, innovation, and sustainability beyond what government or private sector funding alone can achieve. While public funding can be constrained by bureaucratic processes, political cycles, and regulatory limitations, philanthropy can fill gaps, accelerate progress, and catalyze systemic change. It can also strengthen cross-sector collaboration by bridging the gaps between government, business, and community organizations.

WHY DOES THE UPDATE COMMITTEE RECOMMEND THIS STRATEGY?

This strategy leverages Medicaid as a powerful tool for improving child and family well-being while advancing data-driven, sustainable policy changes that address the root causes of adversity. By investing in the evaluation and refinement of North Carolina's Medicaid policies, funders can drive systemic change that improves health equity, economic mobility, and childhood development at scale.

Medicaid is a federally and state-funded program, meaning that philanthropic investments can serve as a means for larger-scale public funding. By funding targeted pilot programs, evaluation efforts, and capacity-building initiatives, philanthropy can prioritize innovation and position successful models for long-term public investment.

DESIRED RESULT

To sustainably invest in programs and strategies identified by Medicaid evaluations to ensure effective reduction of ACEs, promotion of PCEs, and to improve overall child well-being.

ALIGNMENT ACROSS NC

- **Kate B. Reynolds Charitable Trust** has provided funding to support Medicaid transformation, rural health access, and health equity efforts in North Carolina.
- **Dogwood Health Trust** helps to fund the Healthy Opportunities Pilots (HOP) in Western North Carolina and provides funding for other social drivers of health initiatives in Western North Carolina.
- **The Duke Endowment** invests in early childhood health, education, and social service integration, including work related to home visiting programs and maternal health initiatives that are often covered by Medicaid.
- **Blue Cross and Blue Shield of North Carolina Foundation** supports health equity initiatives, integrated care models, and community-based interventions that improve Medicaid's role in addressing social drivers of health. It has also recently invested in Medicaid-enrolled maternal and child health services.
- **The HopeStar Foundation** focuses on building family resilience and advancing economic mobility and supports efforts to prevent ACEs and foster PCEs.

THE ROLE OF MEDICAID EXPANSION IN REDUCING ADVERSE CHILDHOOD EXPERIENCES (ACEs)

Children who experience adverse childhood experiences (ACEs) are at an elevated risk for chronic physical and mental health conditions, developmental delays, and diminished academic and social achievements. Access to health insurance can help mitigate ACEs by addressing important physical and mental health issues that can impact family dynamics. For lower-income families, the expansion of Medicaid eligibility in North Carolina has been a key driver in improving access to care, with around one-third of eligible adults being parents.³⁶

ACEs can stem from intergenerational cycles of trauma, where caregivers themselves may be grappling with unresolved adversities that can lead to neglect or abuse. Medicaid expansion has been shown to improve parental health by increasing access to mental health care. By covering counseling and therapy services, Medicaid helps parents address their own challenges, enabling them to be more present and engaged with their children. Research has found that reports of neglect decreased by between 13%–16% in states that expanded Medicaid eligibility.³⁷

Substance use disorders are another significant risk factor for ACEs. Expanded Medicaid coverage allows parents to access substance use disorder treatment, helping to break cycles of addiction and reduce related adverse experiences for children.³⁸ This access not only supports parental recovery but also creates a safer, more stable home environment.

Improved access to health care also supports parents in addressing their physical health needs, further enhancing their ability to nurture and engage with their children.³⁹ Physical and mental well-being are essential for parents to establish positive, stable relationships that serve as protective factors against ACEs. Additionally, Medicaid expansion helps families stay financially secure by covering medical costs.³⁹ This financial stability reduces stress and creates an environment conducive to healthy relationships and positive childhood experiences.

North Carolina's expanded Medicaid coverage for maternal health, including prenatal and postpartum care, is another critical component in reducing ACEs. Helping mothers receive the care they need during and after pregnancy sets the foundation for healthy early childhood development. Comprehensive maternal care reduces the risk of complications that could lead to stress or adversity in a child's early years, setting the stage for more positive outcomes.

When parents and caregivers have access to health insurance, they experience healthier outcomes.

This translates to health and well-being for children while they are young and as they grow. The benefits of health insurance are intergenerational. Parents



who get the physical and emotional support they need are better able to offer similar support for their children. Families with insurance are less likely to face financial pressures that lead to stress and poorer health outcomes.”

<https://ncmedicaljournal.com/article/87526-the-impact-of-north-carolina-medicaid-expansion-on-young-adults-infant-maternal-health-and-caregiver-well-being>

HIGHLIGHTING DATA-TO-ACTION: HOW INCREASED SDOH SCREENINGS AND NCCARE360 COULD DECREASE ACES

The environment and circumstances we live in—family income, neighborhood safety, and access to nutritious foods, for example—play a significant role in our health status and outcomes.^{40,41} These non-medical factors that impact health are called social drivers of health (SDoH) and are not typically dependent on individual choice, although SDoH may have a direct effect on the choices and opportunities people have related to healthy behaviors.

SDoH can also have a correlation with ACEs when SDoH “contribute to health and social inequities for groups with disparities in access to money, power and resources. These inequities impact both risk for ACEs and their effect on long-term physical, mental, and behavioral health outcomes and life opportunities, leading to disproportionate effects in certain populations, particularly in communities of color and under-resourced communities.”⁴² This link can inform a data-to-action framework, wherein screening for SDoH can identify families who are experiencing conditions that put them at an increased risk for ACEs so that early interventions can help mitigate those stressors.

ACEs and SDoH are closely linked, some SDoH can be a source of childhood adversity and toxic stress, like experiencing housing insecurity or homelessness. The social conditions that a person or family experiences can shape or mitigate the pile up of stress.”

Minnesota Department of Health. ACEs and Social Determinants of Health. <https://www.health.state.mn.us/communities/ace/sdoh.html>

In North Carolina, families who are enrolled in Medicaid Managed Care are screened by care managers working with Medicaid Prepaid Health Plans for social needs related to food, housing, transportation, and personal safety. If any of these needs are identified, the NCCARE360 platform—an electronic “statewide network that unites health care and human services organizations with a shared technology that enables a coordinated” approach to meeting social needs—can be used.⁴³ The platform can be used by care managers and the public to find resources to meet family needs in the geographic area where the person lives and to help link them to the organizations that provide the services. These real-time connections to community resources can thus be protective against economic crisis and family stress that can lead to ACEs.

The data collected from families through SDoH screenings and attempted connections to NCCARE360 resources also help identify high-risk areas and populations throughout North Carolina. This information can inform where additional resources should be prioritized to meet social needs and can inform strategies to prevent ACEs across different communities.⁴⁴ This is a prevention-based approach that could lead to long-term benefits by decreasing the experience of ACEs early through data-driven interventions. Societal benefits of this approach include reduced health care costs and improved community well-being.

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CONCLUSION

The 15 recommendations and 43 strategies put forth by the Essentials for Childhood update committee suggest key evaluations and activities needed to build a stronger foundation for the prevention of child maltreatment and other adverse childhood experiences (ACEs). Implementing these recommendations will require sustained collaboration across state agencies, community organizations, health care providers, and philanthropic partners. By prioritizing strategic investments in early screening, trauma-informed practices, and accessible family supports, North Carolina can establish comprehensive prevention systems that proactively address vulnerabilities before they escalate into long-term harm.

Fostering safe, stable, and nurturing environments for children demands a collective commitment from all sectors involved. The proposed strategies not only provide clear pathways to prevent ACEs, but also empower communities to build resilience, enhance family well-being, and promote lifelong positive health outcomes. By translating these critical recommendations into concrete actions, North Carolina can ensure healthier futures for all children and families across the state.

“All children deserve the best chance at lifelong health and well-being. Preventing, identifying, and responding to ACEs is the most powerful way to achieve this. Working together, we can help create neighborhoods, communities, and a world in which every child can thrive.”

CDC, Preventing Adverse Childhood Experiences, <https://www.cdc.gov/aces/prevention/index.html>

Three meetings were held in 2024 with data and child health experts to discuss the development, evaluation, and dissemination of data related to adverse childhood experiences (ACEs), positive childhood experiences (PCEs), and social drivers of health (SDOH). These experts formed a data development working group to discuss, analyze, and strategize the use of data to address these issues.

The first meeting on September 19, 2024, focused on outlining foundational goals, emphasizing the importance of surveillance data for ACEs and PCEs, exploring existing data sources, and discussing data dissemination strategies. Participants highlighted challenges around data usage and the need to identify key stakeholders and action-makers. A significant focus was placed on understanding and leveraging existing surveillance systems, ensuring consistent data collection, and avoiding duplicative efforts. Discussion included planning logistics and participant engagement strategies, emphasizing clear meeting goals and parameters.

During the second meeting on October 18, 2024, the data working group reviewed potential indicators and addressed data collection disruptions due to Hurricane Helene. They considered the impacts on emergency department data from NC DETECT and potential declines in Youth Risk Behavior Survey (YRBS) participation. Conversations underscored the necessity of safeguarding against unintended harm from data usage.

The meeting emphasized enhancing data accessibility and literacy, recommending proactive sharing of data results with stakeholders and community members. Additional indicators such as bullying, emotional neglect, cultural competence in health care, and climate-related ACEs were recommended for consideration. The group began developing a resource list addressing youth-triggering topics like violence, substance abuse, and mental health.

The final meeting on November 12, 2024, focused on finalizing dissemination strategies, emphasizing collective ownership of data among multiple agencies and considering various public-facing tools such as dashboards and 1-pagers. Participants recommended creating direct action steps to accompany data dissemination, targeting community stakeholders including local health departments, social workers, educators, and prevention partners. The meeting considered how data might be presented effectively, suggesting county-level data aggregation and regionalization for small population areas to ensure meaningful interpretation and application. The discussion highlighted the importance of pairing quantitative data with local narratives and success stories to drive policy action and resource allocation.

For more information about the data surveillance system, please see the introduction to Chapter 6: Data to Action.

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RECOMMENDATION #3.1

Establish Coordinated State Leadership Efforts to Address Essentials for Childhood Through a Collective Impact Framework

The North Carolina Department of Health and Human Services Division of Public Health (DPH) and Prevent Child Abuse North Carolina should establish membership and convene a Leadership Action Team, which will plan for and oversee investment in childhood and family programs to promote safe, stable, and nurturing relationships and environments and prevent child maltreatment.

HAS THIS BEEN IMPLEMENTED?

Yes, state-level coordination has been achieved, although there are still plenty of opportunities to continue and strengthen this coordination. The Leadership Action Team's work built forward momentum after it combined efforts with the [Early Childhood Action Plan](#), beginning in 2018. ACEs are being tracked and addressed as part of [Healthy North Carolina 2030](#), a comprehensive 10-year plan that was released in 2020. In 2022, NCDHHS [restructured to advance whole child and family health](#) by combining some programs in the Division of Public Health and the Division of Mental Health, Developmental Disabilities and Substance Use Services, such as nutrition programs for all ages, early intervention, child health services, and school and community mental health services for children and youth, to create a new Division of Child and Family Well-Being. [The EarlyWell Initiative](#), led by NC Child, is a collaborative that works to advance public policies to improve the landscape around infant and child mental health in North Carolina.

RECOMMENDATION #3.2

Support the Establishment and Continuation of Trauma-Informed Practices and Communities

The Leadership Action Team should establish a working group to examine research on brain development; the impact of trauma on development and behavior over the lifespan; and ways in which other states and communities have established trauma-informed practices in communities, schools, and among health care providers.

HAS THIS BEEN IMPLEMENTED?

Partially, although there has been much progress outside the direct language of this recommendation. The Leadership Action Team's work moved forward after it combined efforts with others at NCDHHS who, along with many partners, developed the [Early Childhood Action Plan](#) in 2018, which included information on brain science and the impact of trauma on development, as well as prevention strategies and metrics. Many organizations and collaborative initiatives have developed or grown over the past decade with involvement of members of the Leadership Action Team. The NC Partnership for Children [Healthy and Resilient Communities Initiative report \(2021\)](#) and [Resilient NC website](#) provide resources and capacity building on trauma-informed practice and ACEs prevention to communities and practitioners across the state. They also developed a [Resilience Indicators Dashboard](#) to help communities identify aspects of their own adversity and resilience. The Kellin Foundation released a report in 2021 that included descriptions of ACEs prevention and resilience-building projects in other states and recommendations for building infrastructure in NC, titled [Resilient NC: Supporting Statewide Efforts to Build Community Resilience](#).

RECOMMENDATION #4.2

Gather Data on Social Norms around Children and Parenting

The child data working group of the Leadership Action Team should explore and identify the most appropriate mechanism and funding source by which to measure public opinion and social norms around parenting, children, and families, and report back to the Leadership Action Team.

HAS THIS BEEN IMPLEMENTED?

No, this recommendation was not implemented as written, and social norms data were not collected; however, there has been work on improving social norms on positive parenting, enhancing caring and nurturing connections, and improving child and family mental health. For example, Positive Childhood Alliance NC (formerly Prevent Child Abuse NC) has been implementing a campaign, [Connections Matter](#), which “is designed to engage community members in building caring connections to improve resiliency,” and has been educating about ACEs, trauma, brain development, and resilience. PCANC is collaborating with Essentials for Childhood to develop a new social norms campaign that seeks to normalize help-seeking and promote the fact that all families need support at various times. As part of this new initiative, methodology for collecting baseline social norms data will be explored, including learning from ways other states have economically completed data collection.

RECOMMENDATION #5.1

Promote Positive Community Norms Around Child Development and Parenting

The North Carolina Early Childhood Foundation should continue and expand their work on changing social norms through the [First 2,000 Days campaign](#).

HAS THIS BEEN IMPLEMENTED?

Yes. This campaign has been successful and maintains an active set of resources. It was updated and expanded in 2020 with the latest research and resources. The campaign serves as key messaging for advocacy that encompasses children and the entire family, as well as the policies that support them.

RECOMMENDATION #6.1

Ensure that Child Care Centers Provide a High Quality, Nurturing Environment

The Division of Child Development and Early Education (DCDEE), in partnership with the Child Care Commission and the Department of Public Instruction (DPI) Office of Early Learning, should continue to re-evaluate its quality star rating system and reimbursement system to identify high-quality child care programs based on updated evidence and best practices. DCDEE, in partnership with others, should continue work to grow a high-quality and well-trained early care and education work force. The North Carolina General Assembly should enhance child care subsidies by ensuring a larger portion of eligible families receive subsidy payments.

HAS THIS BEEN IMPLEMENTED?

Partially, but a child care “cliff” with a drastic shortfall of available child care centers and workers still looms. **Early Years** is 1 example of many other organizations that also work to promote high-quality early education and child care alongside DCDEE, the Child Care Commission, and the DPI Office of Early Learning. The Child Care Commission most recently reviewed the NC **Quality Rating Improvement System (QRIS)**, also known as the Star Rating License System, in 2023, and a report with recommendations was released in 2024. Efforts to increase the number of child care subsidies available to families have been underway for many years. For example, **Pathways to Third-Grade Reading**, an initiative led by the NC Early Childhood Foundation in collaboration with NC Child, NC Partnership for Children, and BEST NC, is working towards high-quality early care and education as well as 3 **actions related to child care subsidies**: expand child care subsidies, raise subsidy rates generally, and provide higher subsidy rates to providers in underserved communities. The NC General Assembly has increased **state allocations for child care subsidies** in most years since 2014–2015; the increase has been very small and has not kept up with inflation or other increased costs.

RECOMMENDATION #6.2

Enhance Care and Reimbursement Standards to Promote Children and Families’ Mental Health

Community Care of North Carolina, and others, should establish guidelines for primary care clinicians for expanded screening of families with children for psychosocial risk factors and family protective factors. The Division of Mental Health, Developmental Disabilities and Substance Abuse Services, the Division of Medical Assistance, and others should support current work to increase integrated behavioral health care under Medicaid reform.

HAS THIS BEEN IMPLEMENTED?

On July 1, 2021, North Carolina transitioned to a **managed care model**. Standard Plans offer physical health, pharmacy (prescriptions), care management and basic behavioral health services. Tailored Plans provide services for individuals with a serious mental illness, severe substance use disorder, intellectual/developmental disability (I/DD) or traumatic brain injury (TBI), and they offer physical health, pharmacy (prescriptions), care management and behavioral health services. Beginning in December 2025, the Children and Families Specialty Plan supports Medicaid-enrolled children, youth and families served by the child welfare system in receiving seamless, integrated and coordinated health care. In the past couple of years, there have been efforts to increase rates for behavioral health care. In October 2024, **NCDHHS announced a \$5 million investment** to expand access to behavioral health care in primary care offices. Note that 2 organizations named in the recommendation have changed their names to the Division of Mental Health, Developmental Disabilities and Substance Use Services and the Division of Health Benefits.

RECOMMENDATION #6.3

Ensure Economic Security for Children and Families

The North Carolina General Assembly (NCGA) should commission a non-partisan economic analysis of the impact of current North Carolina state tax policy on children and families, including impact on economic security, take home pay, and employment rates. This analysis could be conducted by the North Carolina Center for Public Policy Research, the Fiscal Research Division of the NCGA, or a similar non-partisan policy analysis firm. The NCGA should use findings from this analysis to inform future policies to address economic opportunity and security for families and children.

HAS THIS BEEN IMPLEMENTED?

No, this work has not been implemented.

For the full 2015 report, please visit https://nciom.org/wp-content/uploads/2017/08/Essentials4Childhood_022315-2.pdf.



North Carolina Institute of Medicine

North Carolina Institute of Medicine. Building Resilience and Promoting Well-Being: An Updated Action Plan for North Carolina's Children and Families.

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