
North Carolina's Smart Start: Implications for Public Policy

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Smart Start, a state-local early childhood initiative, serves all North Carolina children under the age of 6 and their families. Local partnerships provide child care and education, family support, and health services. State funding has grown from \$30 million in 1993-94 to \$216 million in 1999-2000. Smart Start has been credited, in part, with creating nearly 50,000 new child care spaces, increasing the quality of child care, improving the credentials of child care providers, and reducing teacher turnover. Research shows that Smart Start participants enter school with better language skills and fewer behavior problems. North Carolina's unique approach has earned several national awards.

What Is Smart Start?

Smart Start is a state-local early childhood initiative serving North Carolina children under the age of six and their families. Established by the governor and state legislature in 1993, Smart Start has the goal of ensuring that all children enter school healthy and ready to succeed.

A total of 81 local partnerships covering all 100 North Carolina counties have focused their attention and funds on three major areas: child care and education, family support programs, and health services. Several specific needs are addressed within each of the three categories.

- ❖ **Child Care and Education** includes child care subsidies; higher quality and availability of child care; service to children with special needs; and teacher education, compensation, and support.
- ❖ **Family Support Programs** include child care resource and referral; family resource centers; literacy programs; transportation; parent education; and support for teen parents.
- ❖ **Health Services** include health care access; health screenings; parent education; immunizations; and dental care.

Collaboration and local planning are basic principles of Smart Start. Each local partnership board—comprised of community leaders, child care providers, parents, teachers, human service professionals, religious leaders, and business people—works together to plan and fund programs that best meet the needs of their local community. State allocations for Smart Start have increased from \$20 million in 1993-94 to \$216 million in 1999-2000. Each year, Smart Start has raised an additional 10% from cash or in-kind contributions.

Is Smart Start Effective?

Since Smart Start began in 1993

- ❖ nearly 50,000 new child care spaces have been created,
- ❖ more than 130,000 children have received child care subsidies,
- ❖ nearly 160,000 parents have received education through a variety of Smart Start activities, and
- ❖ nearly 300,000 children have received early intervention and preventive health screenings.

The following outcomes have been documented:

Child care quality has improved. The number of AA-licensed centers (the highest possible rating from the state) in North Carolina has increased from 619 in 1993 to 1,128 in 1999. The number of centers accredited by the National Association for the Education of Young Children, the largest national early childhood organization, has also risen from 28 in 1992 to 150 in 2000 (see Figure 1).

Observational studies conducted in child care classrooms support the finding that the quality of child care has improved. Data collected in 1994, 1996, and 1999 show significant improvement in quality over time. Partnerships that used a larger proportion of their funds for child care had greater increases in quality than partnerships that spent less. Likewise, centers that participated in more Smart Start quality improvement activities showed greater increases in quality than those participating in fewer Smart Start activities.

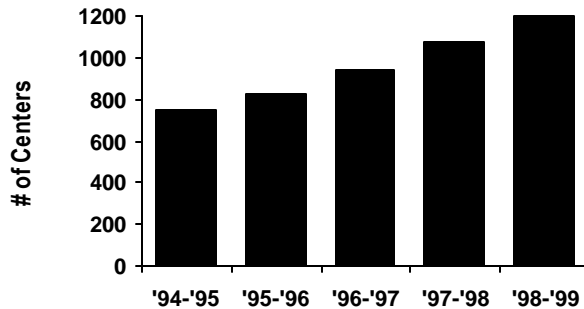
Child care provider education has improved and turnover rates have been reduced. More child care providers have earned their credentials. For example, before Smart Start was established in Ashe County, only 5% of child care teachers and providers had earned their child care credentials. Today 100% of teachers and providers in the county have earned their credentials. In addition, the turnover rate of child care teachers dropped from 42% in 1993 to 31% in 1998. This decrease may be due, in part, to funding from Smart Start and improvements in wage supplement programs.

Children are better prepared for kindergarten. Research shows Smart Start participants entered school with significantly better language skills and fewer behavior problems than their non-Smart Start peers (see Figure 2).

This unique approach to improving child care quality and early childhood education has been recognized nationally. Smart Start received the 1998 Innovations in American Government Award from the Ford Foundation and Harvard's John F. Kennedy School of Government. Smart Start was also the recipient of the 1999 Innovation in Government Award from the Council of State Governments.

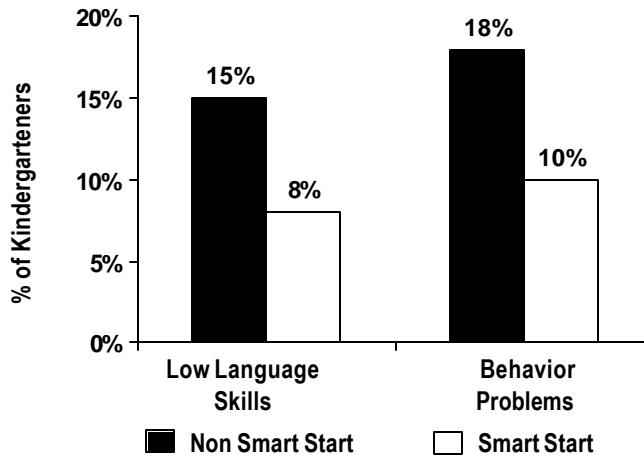
Research shows Smart Start participants enter school better prepared than their non-Smart Start peers.

Figure 1.
More Child Care Centers Receive North Carolina’s Highest Quality Rating



Source: FPG/UNC Evaluation Team (2000). Smart Start: Services and successes. Raleigh, NC: North Carolina Partnership for Children.

Figure 2.
Smart Start Children Are Better Prepared for School



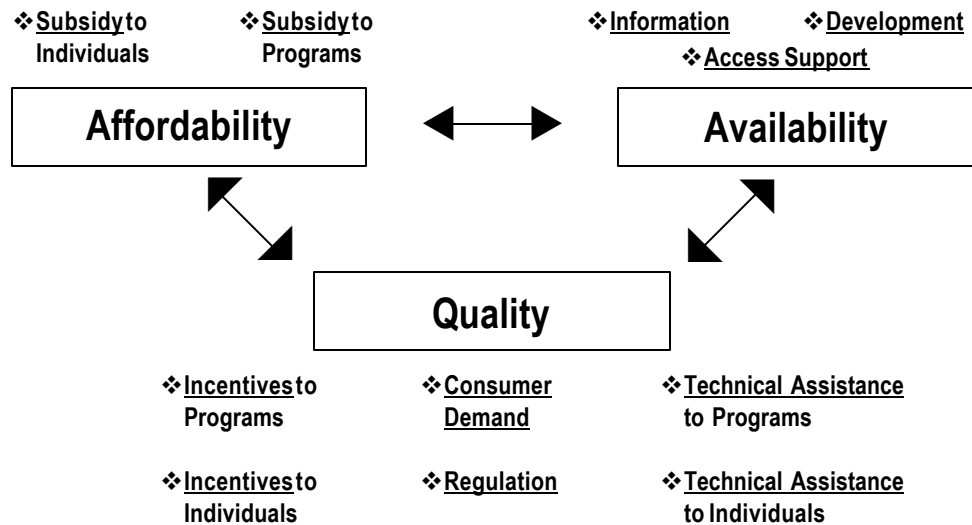
Source: FPG/UNC Evaluation Team (2000). Smart Start: Services and successes. Raleigh, NC: North Carolina Partnership for Children.

How Is North Carolina Addressing Three Major Needs: Affordability, Accessibility, and Quality?

North Carolina’s Child Care Triad

North Carolina’s Smart Start approach takes into account recent research highlighting three main child care issues—or a triad—including affordability, accessibility and quality (see Figure 3). Smart Start was designed to address all these issues through the priorities of local communities. Organizers learned early on that designing programs that addressed just one part of the triad often had unexpected and unintended consequences.

Figure 3.
How Smart Start Addresses Three Main Child Care Issues



Source: North Carolina Partnership for Children. (2000) Smart Start Tool Kit. Raleigh, NC: Author.

Child Care Affordability. Subsidies—either directly to individuals or to programs—are the main way North Carolina planners address child care affordability. State and federal funds are used to subsidize child care costs for families. Eligible individuals must

- ❖ be working or attempting to find work, or
- ❖ in school or a job-training program.

Subsidies are also available if

- ❖ a child receives child protective services,
- ❖ a child needs care to support child welfare services,
- ❖ the family is experiencing a crisis, or
- ❖ a child has developmental delays.

Income eligibility limits require a family to earn less than 75% of the state’s median income. Most families are required to pay a percentage of child care costs based on monthly income—ranging from 7% to 9%. A family of four can earn up to \$38,844 and still be eligible for child care assistance. However, as the subsidy system’s income requirements have become more generous, the pressure increases for more adequate funding. In the meantime, overall demand for child care grows.

Program subsidies typically occur in corporate-sponsored child care programs, although they benefit only corporate employees. Companies provide direct subsidies by offering a sliding fee scale or by paying a percentage of child care costs. Companies also support indirect subsidies by providing free space, security, janitorial, and maintenance services.

Child Care Accessibility. The legislature has also adopted new rules through which a five-star rating will eventually replace the permits currently issued to child care centers and homes. Providers with higher star ratings on their license will be eligible for higher subsidy rates which, in turn, will make high quality care more accessible for parents. (Religious-sponsored child care programs, however, will continue to operate with a notice of compliance and will not receive a star rating.)

Providers with higher star ratings on their license will be eligible for higher subsidies.

The North Carolina state legislature's new rated license system also makes child care information more accessible. Parents can now make more informed choices taking into account teachers' education levels and a program's compliance with the law.

Child Care Quality. Child care quality refers to services that provide a responsive, developmentally-appropriate environment for young children. Initiatives to improve quality include:

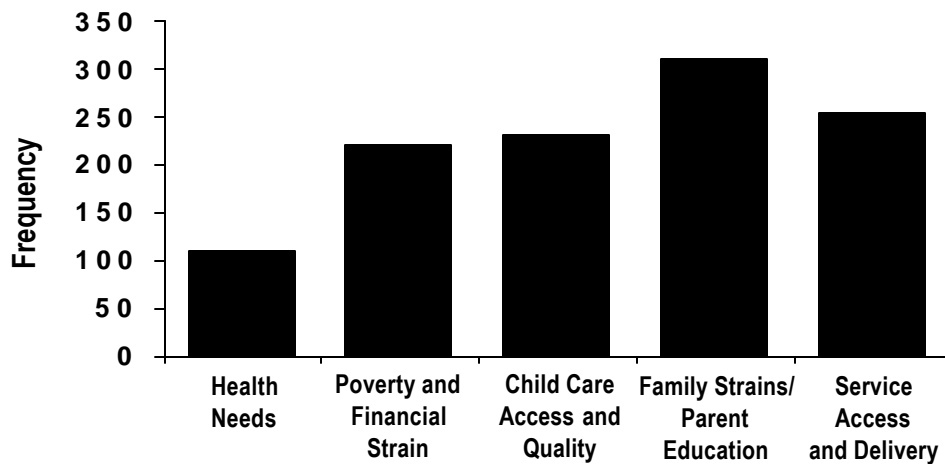
- ❖ raising regulatory standards;
- ❖ providing incentives to teachers to participate in training and education;
- ❖ providing program incentives to raise child-to-staff ratios; and
- ❖ providing program incentives to enroll teachers in professional development.

Why is Smart Start Needed in North Carolina?

As in other states, children and families in North Carolina face a variety of complex problems related to child care. Agencies have identified the main problems as poverty, work-family strain, parent education, and access to services like transportation and health care (see Figure 4).

Survey respondents stressed the connection between these problems. This validates Smart Start's emphasis on comprehensive planning and program development. It also underscores the connection between Smart Start and public/private sector policies, particularly policies affecting labor markets, economic development, family stress, and social services.

Figure 4.
Main Problems Facing North Carolina Children and Families



Source: Ehrlich, P. R., Orthner, D., & Cole, G. (2001). Collaboration: A Smart Start success. Raleigh, NC: North Carolina Partnership for Children.

Smart Start views parents as partners in developing family support services.

How Has Smart Start Involved Families?

Smart Start views parents as partners in developing family support services. Prior to Smart Start, family support services were largely provided by public social services and mental health agencies, yet often lacked a specific focus on young children and families. To bridge this gap, local partnerships turned to parents for help in developing new services. Through focus groups, surveys, and even door-to-door outreach, parents were asked directly what services families needed to better care for and support their children. This approach—finding parents through outreach strategies and serving them where they are—has become the hallmark of local partnership efforts.

How Is Smart Start Different from Head Start?

Both programs share similar goals, but the main differences involve funding sources and types of children served. Head Start is a federally-funded program that targets at-risk children who are three to four years old. Smart Start receives state and private funds. Although Smart Start targets children with need, the program improves services for ALL children under kindergarten age.

Many projects that are funded by Smart Start are directed toward children who do not have access to high quality services such as child care. When services are improved for these children, they are improved for all children in care.

How Is Smart Start Funded and Where Do Its Funds Go?

Smart Start is a nonprofit organization funded by the North Carolina General Assembly. The program is required annually to raise \$1 in cash and in-kind contributions for every \$10 in state funds. Smart Start has continually exceeded this 10% requirement. Corporate supporters include all of the state’s major banks.

Specifically, Smart Start private contributions include \$70 million and more than 1 million volunteer hours. Volunteer time has no monetary value under state regulations, but federal grant terms value the contribution as approximately \$14.30 per hour for a total of more than \$14 million.

In terms of expenditures, at least 70% of Smart Start's direct service funds are spent on child care and child care-related activities. However, local partnerships can choose to even spend more on child care and related activities. Child care-related services include child care subsidies (minimum of 30%); child care and education; and teacher education and support.

How Has the North Carolina Legislature Shaped Smart Start?

- ❖ Local decisionmaking is one of the hallmarks of the Smart Start initiative. To build local community leadership and buy-in, membership on local boards is drawn from all segments of the community including business, city and county government, education, and religious. Political leadership by the governor and others galvanized support for this innovative approach which resulted in funds being approved by the state legislature in 1993.
- ❖ Realizing that it would take the combined resources of both public and private sectors to have any real impact on this issue, the legislature in 1996 put a cash match requirement into the Smart Start legislation. The legislation mandated that 20% of half the total tax dollars allocated statewide to Smart Start had to be met by private dollars. In that fiscal year, this translated into a \$5.8 million match by private contributions.
- ❖ State leaders believed that new nonprofit agencies would mobilize the community to focus on the mission of helping children arrive at school healthy and ready to succeed. Initial legislation allowed existing nonprofit agencies to implement Smart Start if they retooled to meet the state requirements. By the second year, however, only new nonprofits were considered appropriate.
- ❖ Legislators were concerned about the effectiveness of having each local partnership assume responsibility for administration, particularly the accounting and contracting functions. In 1996, the state legislature required the North Carolina Partnership for Children to take on the accounting and contracting responsibilities, so that the local partnership could concentrate on building an effective organization.
- ❖ In response to legislators' concerns about excessive administrative costs, the North Carolina Partnership for Children has actively promoted voluntary regional approaches among the partnerships.

Summary

Smart Start has transformed communities by bringing agencies and citizens together to solve problems and share their resources.

Smart Start has transformed communities throughout North Carolina by bringing agencies and citizens together to solve problems and share their resources. Local partnerships have been formed to provide leadership and build a caring community for young children and their families. Collaborative efforts exist today among agencies that have historically operated only along turf lines. Private resources have been blended with state and federal dollars to extend services to many more children and families than Smart Start could serve alone. Due to these efforts, in seven short years, early childhood education has become an integral part of the human services landscape of North Carolina.

This article is based on the following publications:

Ehrlich, P.R., Orthner, D. & Cole, G. (2001). *Collaboration: A Smart Start Success*. Raleigh, NC: North Carolina Partnership for Children.

FPG/UNC Evaluation Team (2000). *Smart Start: Services & Successes*. Raleigh, NC: North Carolina Partnership for Children.

Kroll, C.K. & Rivest, M. (2000). *Sharing the Stories: Lessons Learned from 5 Years of Smart Start*. Raleigh, NC: North Carolina Partnership for Children.

Smart Start: Toolkit (2000). Raleigh, NC: North Carolina Partnership for Children.

For More Information

North Carolina Partnership for Children web site: www.smartstart-nc.org