



*Working to make North Carolina
the best place to be and raise a child*

July 2010

Action for Children North Carolina 2010 End of Session Summary

The current recession is stressing North Carolina's families and children. Further cuts to basic government services threaten to undermine the health and safety of our children. During economic downturns, policymakers need to focus on what is most important when making funding decisions. This legislative agenda makes public policy recommendations that are essential to ensure positive outcomes for North Carolina's children and families.

Health

1) **Fully Fund N.C. Health Choice:** In record numbers, hard-working North Carolina families have been losing employer-provided health insurance coverage for their children. North Carolina's Health Choice program has done a good job enrolling children; however, the rapid increase in loss of private insurance coverage has meant Health Choice struggles to keep up with the need. Over 130,000 children are currently enrolled in Health Choice, but there are 264,000 uninsured children in our state. State elected officials should take all steps necessary to avoid a waiting list or freeze of Health Choice.

✓ **Health Choice increased \$6.5 million**, which was the larger of the two budget options going into conference committee. This increase will allow an estimated 2,750 additional children to be enrolled.

2) **Funding for Infant Mortality Programs and Services:** In 1988, North Carolina had the worst infant mortality rate in the nation. Due to expansions in Medicaid coverage, the addition of support services for both providers and families and enhancements in the perinatal care service system, the infant mortality rate has declined by almost 30 percent over the past two decades. Despite the decline, however, N.C. still ranks just 44th nationally. Last year's budget cuts led to the elimination and/or reduction of services that had been put in place to reduce infant mortality. With our babies already in jeopardy, it is critical that no additional infant mortality prevention service reductions be considered in the 2010 budget deliberations. In fact, restoration of these services should be given serious consideration.

✓ **All four critical infant mortality prevention programs fully funded:** ECU High Risk Maternity Clinic, progesterone medication to prevent pre-term births, Safe Sleep campaign and Folic Acid campaign.

3) **Support Identification and Case Management for Children with Special Needs:** It is critical that children at risk for developmental disabilities, mental illness and chronic physical illness be identified as early as possible (preferably during the infant-toddler period) and that their families receive the support services necessary to maximize health and developmental outcomes. Recent budget reductions are compromising these services, and the opportunities for preventing adverse outcomes are being lost.

✓ **No additional reductions were made to these services;** however, DHHS has some discretion to make reductions during the year. This will be carefully monitored.



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Juvenile Justice

- 4) **Adequately Fund the Department of Juvenile Justice and Delinquency Prevention:** Additional funding to DJJDP is necessary to provide a continuum of services to at-risk and court-involved youth. North Carolina's Juvenile Crime Prevention Councils (JCPCs) distribute state funds to community service providers who work to prevent juvenile delinquency. Community service providers are doing this work with less money than the legislature allocated in 2002. Additional funding is needed to keep up with inflation, meet the service needs identified by JCPCs and allow the JCPCs to better monitor and support local programs.

✓ **DJJDP was cut only 0.6%** in a year when Medicaid was cut 13%, DHHS overall was cut 8.6% and Justice and Public Safety overall was cut 3%. No cuts were made to Juvenile Crime Prevention Councils. That said, DJJDP was cut \$4.4 million – the small percentage cut reflects the restoration of Samarkand Youth Development Center for \$3.5 million. These cuts will be very difficult for the department to absorb.

- 5) **Task Force to Raise the Age of Juvenile Court Jurisdiction:** Develop and implement a comprehensive plan to phase 16- and 17-year-olds into the juvenile justice system with adequate resources, so that juvenile offenders can access a developmentally appropriate, research-based continuum of services. North Carolina is one of only two states in the nation that continue to automatically prosecute all 16- and 17-year-olds accused of a crime in the adult criminal justice system, regardless of the severity of the alleged crimes.

✓ **Task Force is moving forward** and a bill will be introduced in the 2011 long session, with the recommendation of the Task Force behind it.

Public Education

- 6) **Ban Corporal Punishment in the Public Schools:** North Carolina law allows local school boards to permit corporal punishment. After years of local advocacy, 88 of the 115 local districts no longer use the practice. Numerous studies show that corporal punishment does not improve educational outcomes, but does indeed negatively affect the social, psychological and educational development of children. It is time for North Carolina to join the 30 states that have banned corporal punishment in the public schools. At the very least, there should be an immediate ban on hitting students with disabilities. Recent studies indicate that these students, who might have the least understanding of why they are being hit, receive corporal punishment disproportionately.

✓ Bill to allow parents of children with disabilities to opt their children out of corporal punishment in school **passed unanimously in the House and Senate.**

- 7) **Financial Literacy Council:** In 2009, the North Carolina General Assembly established a Financial Literacy Council to monitor and coordinate financial education and asset building efforts that reach all North Carolinians from birth to retirement. The Council should be appointed by the Governor as soon as possible and begin meeting to identify policies that can support North Carolinians achieving greater financial stability. Key among these policies should be integrating financial education into existing curriculum standards when they are revised in spring of 2010, ensuring that the Department of Public Instruction and teachers have the resources necessary to deliver evidence-based financial education curricula, and catalyzing efforts to connect lessons learned in the classroom to opportunities to manage savings accounts through Bank at School programs.

No movement to report. Governor still appointing Council.



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Economic Security

8) Fund N.C. EITC Outreach and Expand EITC to 15 percent of the Federal Credit: In 2009, low income families were able to receive a state earned income tax credit (EITC) for the first time, which provided households and communities with some relief. The N.C. EITC, currently 5 percent of the federal credit, pumps up local economies by annually helping over half a million working North Carolinians make ends meet in every part of the state. Only four of the 22 states that currently offer a state EITC have a percentage as low as North Carolina's (5 percent), while eight of them offer credits of 25 percent or more of the federal credit.

✓ **EITC not expanded, but five percent not cut.** Given the economic realities of this session, we consider this a win.

9) Expand the Child Care Subsidy Program: Currently, over 30,000 children are waiting to receive child care subsidies so they can be in safe, developmentally-appropriate child care arrangements while their parents are working. With the unemployment rate at a 25 year high, the subsidy program must continue to provide additional help to unemployed parents and ensure that working parents have the supports needed to provide their children with safe and high quality early learning experiences.

a) **Allocate additional funding to reduce the child care subsidy waiting list.**

b) **Continue temporary subsidies for recently unemployed parents who are searching for work or participating in education or job training.** Child care subsidies should be available to support unemployed caregivers who are making themselves more employable through school or job training and while they search for work.

✗ **Allocations to child care subsidies were reduced by \$6 million** in anticipation of savings from a new e-payment system to be implemented this year. If savings do not accrue, however, subsidies will have to be cut. Also, special provisions that would have allowed unemployed parents to keep their subsidies longer due to the recession were eliminated. The impact of the elimination of these special provisions is still unclear.