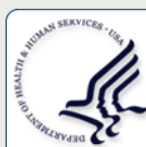


Race to the Top – Early Learning Challenge 2014 ANNUAL PERFORMANCE REPORT

North Carolina



JUNE 2015



Race to the Top
Early Learning Challenge

Table of Contents

APR Cover Sheet	1
Certification	2
Executive Summary	3
Successful State Systems	9
Governance Structure	9
Stakeholder Involvement	11
Proposed Legislation, Policies, or Executive Orders.....	13
Participating State Agencies.....	13
High-Quality, Accountable Programs	14
Developing and adopting a common, statewide Tiered Quality Rating and Improvement System (TQRIS) (Section B(1) of Application).....	14
Promoting Participation in the TQRIS (Section B(2) of Application)	18
Performance Measure (B)(2)(c).....	19
Rating and monitoring Early Learning and Development Programs (Section B(3) of Application).....	22
Promoting access to high-quality Early Learning and Development Programs for Children with High Needs (Section B(4) of Application).....	24
Performance Measure (B)(4)(c)(1)	28
Performance Measure (B)(4)(c)(2)	30
Validating the effectiveness of the State TQRIS (Section B(5) of Application).....	33
Focused Investment Areas: Sections (C), (D), and (E)	35
Promoting Early Learning Outcomes	36
Early Learning Development Standards (Section C(1) of Application)	36
Comprehensive Assessment Systems (Section C(2) of Application)	37
Health Promotion (Section C(3) of Application).....	39
Performance Measure (C)(3)(d)	42
Engaging and Supporting Families (Section C(4) of Application)	45
Early Childhood Education Workforce	48
Supporting Early Childhood Educators in improving their knowledge, skills, and abilities (Section D(2) of Application)	48
Performance Measure (D)(2)(d)(1).....	52
Performance Measure (D)(2)(d)(2).....	53
Measuring Outcomes and Progress	56
Understanding the Status of Children’s Learning and Development at Kindergarten Entry (Section E(1) of Application)	56
Early Learning Data Systems (Section E(2) of Application)	59
Data Tables	62
Table (A)(1)-1: Children from Low-Income families, by age.....	62
Table (A)(1)-2: Special Populations of Children with High Needs	63
Table (A)(1)-3a: Participation of Children with High Needs in different types of Early Learning and Development Programs, by age	65

Table (A)(1)-3b: Participation of Children in Early Learning and Development Programs in the State, by Race/Ethnicity.....	66
Table (A)(1)-4: Data on funding for Early Learning and Development.....	67
Table (A)(1)-5: Historical data on the participation of Children with High Needs in Early Learning and Development Programs in the State	69
Table (A)(1)-6: Current status of the State's Early Learning and Development Standards.....	70
Table (A)(1)-7: Elements of a Comprehensive Assessment System currently required within the State.....	71
Budget and Expenditure Tables	73
Budget Summary Table	73
Budget Table: Project 1 – ELC Grant Management and Implementation Support	75
Budget Table: Project 2 – NC Early Childhood Integrated Data System	77
Budget Table: Project 3 – Professional Development Capacity Building	79
Budget Table: Project 4 – Promoting Participation in the Revised QRIS.....	81
Budget Table: Project 5 – TQRIS Program Quality Measure Development	83
Budget Table: Project 6 – Increasing Access to High Quality ELD Programs.....	85
Budget Table: Project 7 – TQRIS Validation Study	87
Budget Table: Project 8 – Enhanced Professional Development	89
Budget Table: Project 9 – Early Learning and Development Standards.....	91
Budget Table: Project 10 – Certification and Licensure	93
Budget Table: Project 11 – Access and Accreditation	95
Budget Table: Project 12 – Compensation and Retention	97
Budget Table: Project 13 – Cultural Competence	99
Budget Table: Project 14 – Early Childhood Director Leadership Institute.....	101
Budget Table: Project 15 – K-3 Assessment	103
Budget Table: Project 16 – Family Engagement.....	105
Budget Table: Project 17 – Family Strengthening	107
Budget Table: Project 18 – Partnership Initiatives	109

Note: All information in this document was prepared and submitted by the **Grantee** as their annual performance report (APR). For reference, the instructions and prompts from the approved APR form are included in italics throughout the document. Check marks in tables indicate the Grantee selected the option. A blank cells in a table indicates that the Grantee did not provide data or did not select the option.



APR Cover Sheet

General Information

1. **PR/Award #:** S412A120027
2. **Grantee Name:** Office of the Governor, Office of the Governor, State of North Carolina
3. **Grantee Address:** Division of Child Development and Early Education, NC Department of Health and Human Services, 820 South Boylan Avenue, Raleigh, NC, 27603
4. **Project Director Name:** Lucy Roberts
Title: Executive Director, North Carolina Early Childhood Advisory Council
Phone #: (919) 814-2044
Email Address: lucy.roberts@nc.gov

Reporting Period Information

5. **Reporting Period:** 1/1/2014 to 12/31/2014

Indirect Cost Information

6. Indirect Costs

- a. Are you claiming indirect costs under this grant? Yes No
- b. If yes, do you have an Indirect Cost Rate Agreement(s) approved by the Federal Government? Yes No
- c. If yes, provide the following information:

Period Covered by the Indirect Cost Rate Agreement(s): 07/01/2013 to 06/30/2014

Approving Federal agency: ED HHS Other (Please specify):



Certification

The Grantee certifies that the State is currently participating in:

The Maternal, Infant, and Early Childhood Home Visiting program (see section 511 of Title V of the Social Security Act, as added by section 2951 of the Affordable Care Act of 2010 (P.L. 111-148))

Yes No

Programs authorized under section 619 of part B and part C of the Individuals with Disabilities Education Act (IDEA)

Yes No

The Child Care and Development Fund (CCDF) program

Yes No

To the best of my knowledge and belief, all data in this performance report are true and correct and the report fully discloses all known weaknesses concerning the accuracy, reliability, and completeness of the data.

Signed by Authorized Representative

Name: Lucy Roberts

Title: Executive Director, NC Early Childhood Advisory Council

Executive Summary

For the reporting year, please provide a summary of your State's (1) accomplishments, (2) lessons learned, (3) challenges, and (4) strategies you will implement to address those challenges.

North Carolina's Race to the Top - Early Learning Challenge grant is an investment in high-quality and unique approaches to build system-wide capacity. The grant provides and strengthens early learning opportunities statewide that also address the geographic, socio-economic, and cultural diversity of North Carolina's young children and families. North Carolina's grant strategies build upon this State's local, statewide and national successes and resources. The strategies are supported by research and are designed to foster dramatic progress in North Carolina's early care and education system that helps ensure positive outcomes for young children as they learn and develop. The work of the grant is building broad statewide supports that can be felt at every level of the system, including children and families, the early care and education workforce including educators, administrators, specialists and support staff, postsecondary students entering the field, as well as at the State and local levels, building capacity within the agencies that fund programs and serve young children and their families.

The State-level agencies that are implementing North Carolina's Race to the Top-Early Learning Challenge (RTT-ELC) grant are the NC Division of Child Development and Early Education, the Office of Early Learning of the NC Department of Public Instruction, the NC Division of Public Health, and the NC Partnership for Children (Smart Start). These primary agencies have additional collaborators with responsibilities for implementing projects and activities, including local school systems, the NC Child Care Resource and Referral Network agencies, local Smart Start agencies, local Head Start agencies, local health departments, the NC Community College System, several constituent universities of the University of North Carolina system, and other service agencies. To highlight the commendable work of these partners, North Carolina launched an RTT-ELC website in 2014 that provides detailed information about the array of projects and activities funded by the grant (<http://earlylearningchallenge.nc.gov>), as well as a monthly e-newsletter and a webinar series that are both accessible through the website.

In 2014, the NC Early Childhood Advisory Council (NC ECAC) reconvened with a new Executive Director, new Chair, and new appointments. The initial focus of this Council is to develop a detailed understanding of the current services North Carolina provides for young children and families, support the work of the RTT-ELC grant to improve and build the early childhood system, and to establish the council's priorities and goals.

With this infrastructure in place, North Carolina made significant progress in implementing the RTT-ELC grant in 2014. North Carolina has many high-quality RTT-ELC projects; summarized below are a few highlights from Year 3 progress, challenges and lessons learned:

NC Early Childhood Integrated Data System (NC ECIDS)

This multi-agency collaborative project is building a data system that integrates high-quality education, health and social service information from participating state agencies in order to better inform early childhood policies and programs that ultimately support better outcomes for children and families. The NC ECIDS will link to North Carolina's longitudinal educational data system, P-20W (Pre-K to age 20/workforce). NC ECIDS will use unique identifiers (UIDs) for each child in the system, which will allow information to be linked across agencies and programs for an individual child, and provide unduplicated counts of where children are being served. NC ECIDS will be using the same UID software as North Carolina's P-20W system so that the systems can align.

In 2014, the agency partners in this project completed the business requirements for the NC ECIDS and prepared technical staff for the application build phase that will occur in 2015. The project team also developed data sharing and data use agreements and established the NC ECIDS Governance Council, which consists of two committees, an Executive Committee and a Program Management Committee. Both committees began regular meetings to set policies for NC ECIDS and develop an ongoing maintenance and decision-making process.

The NC ECIDS project has experienced a high level of support and collaboration across many agencies, which has been a significant benefit in navigating the complex planning required for a sophisticated integrated data system. At the same time, the project has been challenged by complex contracting issues and the multiple levels of review and concomitant time delays that are a part of the information technology development process for state government.

Another activity in the NC ECIDS project is the Smart Start Data Project that is supporting 76 Smart Start local partnerships to collect and provide data to a unified Smart Start system that will link to the NC ECIDS. In 2014, a Smart Start Data Advisory Group developed common outcomes for the system and mini grants were awarded to support local partnership efforts to collect, measure, report and use programmatic data related to these defined outcomes.

Through the Child Care Workforce Data Project, the NC Division of Child Development and Early Education is also making progress in establishing a streamlined, enhanced early childhood workforce data system and online portal for the child care community to improve data collection and link to the NC ECIDS. A projected budget and cost savings of the proposed system was developed, project staff received training on the required project management tool, and exploration began of existing state systems, similar in function to the proposed workforce system, that can be leveraged in the workforce system build phase in 2015.

Transformation Zone

The Transformation Zone is a system change initiative designed to apply lessons from implementation science in order to build state and local capacity to effectively implement selected early childhood strategies. Four high-need rural counties in northeastern North Carolina were selected to participate in the Transformation Zone: Bertie, Beaufort, Chowan and Hyde. Each county has a local implementation coach and a cross-sector Leadership Team and Implementation Team with representatives from various early childhood agencies that play a critical role in supporting the development of an effective implementation infrastructure.

In 2014, the Transformation Zone Initiative continued its progress in implementing a series of early learning strategies to support young children and their families, while building community capacity to strengthen and support an effective and aligned local early childhood system. The strategies were all in implementation phase in 2014: Family Connects, a nurse home visiting program modeled after the evidence-based Durham Connects program; Triple P, a family support program; Motheread and Reach Out & Read, two family literacy programs, and several initiatives to improve the quality of child care, focused on quality infant-toddler care, healthy social behavior support, and health support.

Multiple activities were also conducted to support capacity building, including expert training to Transformation Zone county teams to help identify county priorities for system building. A comprehensive evaluation began in 2014 to examine how Transformation Zone communities and State agencies have enhanced their capacity to improve the quality of their early childhood systems, including policy, practice and infrastructure changes, to support successful implementation of evidence-informed practice.

The Transformation Zone work continues to be one of the most important - and most challenging - efforts in North Carolina's RTT-ELC grant. It has been challenging to develop efficient feedback processes between county and state partners, including effective and mutually beneficial processes for sharing data across county, regional and state partners. Implementation of some of the strategies has also met challenges due to various factors. For example, the implementation of Family Connects was significantly delayed while multiple issues in project planning, budgeting and contracting were being resolved, followed by additional challenges in the implementation phase due to the complex nature of the project and the complex layers of infrastructure support needed. Despite the challenges, Family Connects remains a priority for the Transformation Zone partners and more successes are expected in 2015.

NC Star Rated License (TQRIS)

North Carolina has a mature TQRIS built into its licensure system. Many projects funded by the RTT-ELC grant support future TQRIS revisions, as well as expansion of early learning programs participating in the TQRIS and at the highest levels.

A key project is a TQRIS Validation Study that is underway, conducted by researchers at the University of North Carolina at Chapel Hill. This study is designed to provide information about how best to revise NC's Star Rated License so that the tiers more meaningfully differentiate levels of quality in early learning programs that correspond to children's growth and development. To date, this project has completed Phase I, which involved mapping programs onto various TQRIS models to inform model refinement and holding focus groups and interviews with NC's TQRIS Advisory Committee, providers, families, and national experts. In 2014, the Division of Child Development and Early Education finalized a TQRIS model for testing based on Phase I of the Validation Study and the project will conduct Phase II of the Validation Study beginning in 2015.

Another key project, the Measure Development Project, is developing and pilot testing a new program quality measurement tool that addresses critical aspects of program quality related to children's outcomes and is specifically suited for use in a revised TQRIS in North Carolina and elsewhere. This project is led by faculty at the University of North Carolina at Greensboro, working collaboratively with faculty at the University of Delaware and the University of Kentucky. During 2014, the implementation science framework was identified to organize key practices and items, specifically to reframe or re-conceptualize program-level areas as drivers. A draft of program administration key practices was developed, shared with the TQRIS Validation Study Team and Advisory Committee, and presented at conferences. Ongoing meetings continue between the project leaders for this project and the TQRIS Validation Study to coordinate across projects and maximize research resources.

To promote increased participation in NC's Star Rated License, technical assistance and mini-grants were provided again in 2014, though the percentage of programs already participating is quite high because North Carolina's TQRIS is mature and built into the state licensing system. In 2013 the North Carolina Partnership for Children convened a series of "Faith Summits" in several locations across the state to engage faith leaders to raise awareness of and commitment to high-quality early learning programs to increase the number of faith-based child care sites in the NC Star Rated License system, which is one area where growth in participation is possible. These Summits generated much interest from the faith community. During 2014, local Faith Summits were held, funded by the local community through the efforts of county leaders who attended the Summits during the previous year and who were determined to carry forward the messages and information. Local Faith Summits continue to be envisioned, planned for and held in counties across the state, usually funded and implemented by private resources. Through the work of these summits, programs expressing interest in next

steps toward becoming licensed are connected with the Regulatory Section of the Division of Child Development and Early Education for support to enter the TQRIS.

High-Quality Early Learning Workforce

Many of North Carolina's projects provide new or enhanced professional development opportunities for the early care and education workforce that support the higher TQRIS standards the State is working toward, as well as support for quality enhancement to move programs to attain the highest star ratings in the current licensure system:

- New CEU based courses (including cultural competence, early learning and development standards, curriculum and assessment, and family engagement) developed through the RTT-ELC grant are being offered statewide.
- A Professional Development Bonus Program launched in 2014 provides incentives for programs to implement identified policies and practices related to staff professional development.
- TEACH Scholarships continue to offer financial assistance to targeted areas of the early childhood workforce to further the educational qualifications of the workforce.
- B-K Licensure Project continues to support teachers in private child care programs that are working toward B-K (Birth - Kindergarten) teacher licensure with mentoring and evaluation services. This project has exceeded its goal for reaching new teachers in need of these services.
- An On-Line Master's Degree Program in Early Childhood Leadership and Administration is available and expanding at two major universities, the University of North Carolina at Greensboro and the University of North Carolina at Wilmington, with the ability to reach students regardless of location because the programs are fully on-line. The response and demand has been unexpectedly high and enrollment is at its maximum. TEACH Scholarships are also providing financial assistance for students to be able to enroll in this leadership course of study.
- The Early Childhood Directors' Leadership Institute continues to provide intensive training to a cohort of administrators to improve leadership and program management skills. This project reflects the anticipated shift in focus in future TQRIS revisions to emphasize the key role of the program administrator in facilitating and ensuring high quality at every level of the program.
- A large cohort of community college early childhood departments are working toward NAEYC Early Childhood Associate Degree Accreditation, with a goal of eighty percent of North Carolina's community colleges eventually offering nationally accredited programs to train the early childhood workforce. This project will also increase the number of four-year colleges and universities that have articulation agreements with community colleges that are accredited.
- A selected group of NC's Head Start programs are continuing a unique model of professional development that provides coaching, mentoring and technical assistance to non-Head Start early learning programs to strengthen family engagement activities in anticipation of enhanced standards in this area in future TQRIS revisions. This project leverages the expertise of Head Start in family engagement and is on track to reach 33 to 40 percent of licensed providers by the end of the project. Planning also began in 2014 to develop an on-line training for family engagement to make this information accessible beyond the grant period.

North Carolina is learning that there is a demand for on-line education and professional development and that it is most effective when combined with opportunities for personal interactions that allow for more in-depth learning. This will be an area of more focus by grant leaders in 2015.

NC Foundations for Early Learning and Development (ELDS)

In 2013, North Carolina completed and widely distributed its revised Early Learning and Development Standards (ELDS), the *NC Foundations for Early Learning and Development*. Professional development on *Foundations* for early childhood educators was well received during 2014, with 108 courses offered and 1,760 participants completing the course. Ninety-five percent (95%) of Child Care Resource and Referral (CCR&R) trainings and CEU bearing courses are now aligned with the revised *Foundations*. Eighty CCR&R staff are now trained to deliver *Foundations* training and 148 professional development and technical assistance staff have completed the training. Due to high demand for copies of the document, an additional 40,000 copies will be printed. Also during 2014, an on-line train the trainer course was developed for release in 2015 following the final review phase. The NC Community College System is also supporting a consortium of local community colleges that are embedding *Foundations* throughout the early childhood curriculum.

NC K-3 Formative Assessment

North Carolina is designing a developmentally appropriate individualized formative assessment for children at kindergarten entry through grade 3. This K-3 Formative Assessment will provide teachers a more complete picture of the whole child and provide data to inform daily instructional practices and help meet the needs of every child.

The K-3 Formative Assessment will be a revision of NC's existing K-2 Assessment and will expand the areas assessed in the early grades from two (reading and mathematics) to all developmental domains included in NC's early learning and development standards and specified in the Race to the Top - Early Learning Challenge Essential Domains of School Readiness. The assessment will be extended into grade 3 and will be aligned with NC's Standard Course of Study. This revision process will result in an assessment process that will be implemented in kindergarten through third grade and provide feedback that teachers and students will use to guide teaching and learning.

Data gathered during the first 60 days of Kindergarten, the KEA portion of the K-3 Formative Assessment process, will be entered into the state's longitudinal data system to create a profile of NC's children at Kindergarten entry. These data will be used to inform professional development but will not be used for accountability or to evaluate teachers and programs. The K-3 Assessment will include safeguards to prevent misuse of information in decisions about individual children.

The assessment is undergoing a validation process to ensure that it measures what it is intended to measure. The initial pilot of the Kindergarten Entry Assessment was conducted in 2014 and pilot testing will continue for the remainder of the K-3 assessment development. Statewide implementation is set to begin in the fall of 2015.

North Carolina has been awarded an Enhanced Assessment Grant and is leading a consortium of nine states that are working collaboratively to enhance its K-3 Formative Assessment materials so that they are applicable to a variety of state contexts and can be adopted by consortium states.

Summary

In 2014, North Carolina's Race to the Top - Early Learning Challenge grant projects were fully implemented, serving children and families, supporting the early childhood workforce, strengthening the early care and

education system, and building our state infrastructure to support a strong early childhood system for several years to come. Because of the RTT-ELC grant, State and local capacity in North Carolina to work across sectors and to understand and apply implementation science has grown. The RTT-ELC is fulfilling its intention --North Carolina is continuing to expand and improve its early childhood services for young children while strengthening the infrastructure needed for an excellent early childhood system.

Successful State Systems

Aligning and coordinating early learning and development across the State (Section A(3) of Application)

Governance Structure

Please provide any relevant information and updates related to the governance structure for the RTT-ELC State Plan (specifically, please include information on the organizational structure for managing the grant, and the governance-related roles and responsibilities of the Lead Agency, State Advisory Council, and Participating State Agencies).

North Carolina's Race to the Top-Early Learning Challenge (RTT-ELC) grant continues to have three Participating State Agencies responsible for implementing the grant projects and activities: the NC Department of Public Instruction, the NC Division of Child Development and Early Education, and the NC Division of Public Health. In addition, the NC Partnership for Children (Smart Start) is also a major partner agency with significant responsibility for implementing various grant activities. The Division of Child Development and Early Education, which is under the NC Department of Health and Human Services, provides overall administration and fiscal management of the grant. The grant management team, working with project leaders, developed, managed and/or revised contracts and Memorandums of Agreement with participating agencies, managed budgets, tracked expenditures, processed payments, and monitored project progress throughout 2014. The grant management team also developed and implemented a multi-pronged communication strategy: launching a NC RTT-ELC website, a monthly e-newsletter and a Spotlight Webinar Series, all which can be accessed at <http://earlylearningchallenge.nc.gov>. Also, the grant management team sponsored a statewide Grant Partners meeting to bring project leaders together to share information about project progress, network and plan for continued successful grant implementation.

The RTT-ELC Project Director serves as Early Policy Advisor to the Governor and as Executive Director of the NC Early Childhood Advisory Council (NCECAC). During 2014, a new Chair was established for the NCECAC and new membership was established, consisting of those required by federal law, those deemed appropriate by the Governor, as well as national and local experts in early childhood education, pediatrics, and local leaders from public schools and the early childhood field. The NCECAC met twice during 2014 to establish the role of the NCECAC in NC's Early Childhood System, including providing guidance to NC's RTT-ELC grant. The NCECAC also addressed early childhood messaging and early childhood funding in NC, and began to establish subcommittees to address specific tasks.

The first Federal On-Site Monitoring visit was completed in 2014, including detailed presentations by grant partners to federal project officers on the array of projects funded by the grant.

Transformation Zone Initiative

The Transformation Zone Initiative continued its progress in implementing a series of early learning strategies to support young children and their families and building community capacity to strengthen and support an effective and aligned local early childhood system. The set of strategies included in the Transformation Zone include a universal home visiting program (Family Connects), a family strengthening strategy (Triple P - Positive Parenting Program), two literacy strategies (Reach Out and Read and Motherread), and several child care quality improvement strategies (Infant Toddler Expansion Grant, North Carolina Babies First, Healthy Social Behavior Project, Child Care Health Consultation).

Key accomplishments relating to the Transformation Zone for North Carolina in 2014 included the continuation of the organizational structure for the Transformation Zone initiative (including the maintenance of county and state teams, implementation and systems-capacity building, the initial implementation of literacy and family strengthening strategies, state-county sustainability planning, and conducting evaluation activities to better understand experiences of state and county partners involved in the Transformation Zone work).

Additional information regarding strategy-specific accomplishments can be found in later sections of this Annual Performance Report (child-care strategies can be found in Section B-4, C-3, and D-2, early literacy information can be found in Section C-4, and family strengthening can be found in Sections C-3 and C-4).

Organizational Structure and Capacity Building in the Transformation Zone

The county organizational structure was maintained in the Transformation Zone, consisting of cross sector County Implementation and Leadership Teams in each of the four Transformation Zone counties, Beaufort, Bertie, Chowan, and Hyde counties. These organizational structures are to promote cross sector collaborative relationships to support a strong early childhood system and to assess and support purposeful, effective implementation of early childhood strategies.

In 2014, the State organizational structure consisted of quarterly meetings with the State Implementation Team, consisting of strategy purveyors and state partners to build state level capacity in the application of implementation science. In addition, the Transformation Zone Funders group, consisting of agency leaders from the NC Department of Public Health (NCDPH), NC Division of Child Development and Early Education (DCDEE), North Carolina Partnership for Children (NCPC), National Implementation Research Network (NIRN), and the grant management team, met several times to conduct planning around strategy sustainability and priorities for a no-cost extension amendment request in 2015.

Multiple activities were conducted to support capacity building among the State Implementation Specialists, Coaches, the Coach Coordinator, State and County teams. At the county level, the State Implementation Specialist and NIRN representatives attended monthly County Implementation Team meetings to engage in learning activities around applying implementation frameworks to support their work. County Implementation Coaches led facilitation of County monthly meetings and guided the County Implementation Teams' work between meetings. At the state level, NIRN convened and led quarterly State Implementation Team meetings to discuss implementation issues and build capacity around implementation science with purveyors, including developing installation plans, data systems, and holding discussions around sustainability planning.

During 2014, Dr. Pennie Foster-Fishman and Dr. Erin Watson of Michigan State University provided training to Transformation Zone county teams to help identify county priorities for system building; counties identified family engagement as a top priority. Dr. Foster-Fishman and Dr. Watson provided the needed support to the county coaches around family engagement efforts. Three coaches continued individual coaching sessions with Dr. Foster-Fishman and Dr. Watson to support their county family and community engagement work, including development, modification, and distribution of family surveys, initial data review, as well as initial discussions associated with upcoming system scan work. Coaches were provided an opportunity to participate in a webinar to heighten their awareness of conditions that affect communities.

Transformation Zone Evaluation

The Transformation Zone Evaluation is examining how Transformation Zone communities have enhanced their capacity to improve the quality of their early childhood systems, including policy, practice, and infrastructure changes, to support successful implementation of evidence-informed practice. The evaluation uses a systems-level framework and developmental collaborative approach to engage with state and county stakeholders, which allows for continuous improvement and ongoing learning. During 2014, multiple activities were conducted as part of the Transformation Zone evaluation. Evaluation team members conducted ongoing document reviews, attended state and county-level Transformation Zone meetings, and conducted a series of interviews with county coaches, team members, strategy purveyors, Transformation Zone administrators, and state partners. Data were coded and analyzed to highlight key themes from partner experiences in the Transformation Zone. Evaluation team members also solicited stakeholder input. The team interviewed Pennie Foster-Fishman about the ABLe Systems Change work in the Transformation Zone counties. A workgroup consisting of members from the evaluation team, NIRN, NCPC, and the grant management team meet monthly to discuss evaluation activities and findings.

Stakeholder Involvement

Describe State progress in involving representatives from Participating Programs, Early Childhood Educators or their representatives, parents and families, including parents and families of Children with High Needs, and other key stakeholders in the implementation of the activities carried out under the grant.

In 2014, the third year of the Race to the Top-Early Learning Challenge (RTT-ELC) grant, North Carolina has continued to involve a range of stakeholders, including the Office of the Governor, the newly formed Early Childhood Advisory Council, early learning teachers, directors, principals and specialists from private child care and public school settings, family child care providers, Head Start staff, early interventionists and therapists, the Child Care Commission, Child Care Resource & Referral agencies, NC Association for the Education of Young Children leadership and conference participants, NC Licensed Child Care Association members, NC Head Start Association, community college and university faculty, faith-based organizations, local school leaders, local agency and community leaders, local Smart Start partnerships, other non-profit organizations, families of young children, and state legislators. Stakeholders served on advisory groups, participated in focus groups, webinars, attended trainings, helped review and revise project plans, heard presentations about the RTT-ELC work, piloted assessment and curricula materials, and in the Transformation Zone, worked with the county teams to develop and implement services and plan for sustainability.

Local Leadership Development

In 2014, the RTT-ELC work in North Carolina has continued to focus on leadership development at the local level. The North Carolina Partnership for Children (NCPC) implemented the Leaders' Collaborative to build broad stakeholder ownership to address the goals of the RTT-ELC. Specifically, the Leaders' Collaborative focused on: a) driving results-based accountability, b) closing the gap on disparities, and c) building collaborative leadership, all in support of the RTT-ELC grant's goal of ensuring that the most vulnerable children have the support and services needed to enter kindergarten ready to succeed. During 2014, the third cohort of 16 leaders participated bringing the total to 48 since the grant began. One more cohort of leaders will participate in the remaining year of the grant. As a result of the Leaders' Collaborative in 2014, leaders have increased their knowledge and competencies in leading their communities and our state toward improved outcomes for children and closing

the achievement gap. Participants for 2015 have been confirmed and include a balance of new and veteran local Smart Start partnership executive directors as participants, and the curriculum has been updated to include:

- the development of a competency self-assessment which participants will use three times during the program to assess their own skill development,
- the addition of a cumulative session in July, led by trainers in appreciative leadership, communities of practice and equity that weaves together learnings from each of their sessions and allows opportunities for intentional, guided practice, and
- the introduction of an instructional coach program that builds on the assessment and provides multi-level (mentor, peer, individual and group) coaching led by session facilitators and NCPC staff.

From the Leaders' Collaborative, five leaders were selected in 2014 to host Leading for Equity retreats in their communities bringing the grant total to fifteen. These are three-day facilitated sessions with a carefully selected group of diverse stakeholders to foster dialogue and action that results in increased opportunities for the success of all children.

The evaluation of the Leaders' Collaborative and Leading for Equity Retreats have produced outstanding feedback and results and enrollment continues to be competitive.

Another project, the Early Childhood Director Leadership Institute, provides intensive training to program administrators to improve their leadership and program management skills. This project reflects the anticipated shift in focus of NC's TQRIS to emphasize the key role of the program administrator in facilitating and ensuring quality at every level of the program. The second Institute was held during 2014 for the 78 early childhood education administrators participating. The Institute includes a .5 CEU course "Introduction to Early Childhood Leadership and Management", a .5 CEU course "Widening the Lens" (Program Administration Scale training), and additional professional development including "The Four Factors of Effective Leadership", "On-line Platform Training", "Team Building", and "Leading the Way to Quality". An on-line course was developed and conducted in 2014 for participants that could not attend the Institute. Interspersed with the face-to-face Institute gatherings, each participating program administrator has received specialized technical assistance to address program improvements identified by the administrator as priority on the basis of Program Administration Scale (PAS) assessments. On the whole, administrators are scoring higher than the national average on PAS items, and each is making progress in his/her identified area for improvement.

During 2014, North Carolina also established an On-Line Master's Degree Program in Early Childhood Leadership and Management, working with two major universities in the state system making this next step in professional development for early childhood leaders available to everyone in the state. The University of North Carolina at Greensboro (UNCG) and the University of North Carolina at Wilmington (UNCW) are offering a new emphasis in their early childhood online master's degree programs. UNCG is offering an on-line M.Ed. with an emphasis in Early Childhood Leadership and Program Administration (www.uncg.edu/hdf/graduates/MED_pgrm.html) and UNCW is offering an on-line M. Ed. with an emphasis in Leadership, Policy, and Advocacy in Early Childhood (www.uncw.edu/ed/el/ec).

The master degree programs will include coursework in core topics including personnel development and support, budgeting and financial management, research in early childhood, early childhood systems, the art of leadership, communication and public engagement, and diversity and inclusion. Both universities have experienced very high interest and enrollment in these new degree programs. Currently, 64 students are enrolled in these programs and an additional 59 applicants have been accepted to begin studies in 2015.

Applications are being accepted and reviewed for an additional 40 students for summer and fall of 2015. In partnership with the RTT-ELC grant, Child Care Services Association has launched its T.E.A.C.H. Early Childhood Scholarship that provides support to students enrolled in the new on-line master's degree programs (see Section D-2).

Proposed Legislation, Policies, or Executive Orders

Describe any changes or proposed changes to state legislation, budgets, policies, executive orders and the like that had or will have an impact on the RTT-ELC grant. Describe the expected impact and any anticipated changes to the RTT-ELC State Plan as a result.

The time line for the Kindergarten Entry Assessment, which is included in NC's K-3 Assessment, was revised by legislation in 2014. Based on feedback from the pilot, in which teachers expressed the importance of having time to become more familiar with the assessment materials and technology, legislative language was modified to adjust the time line for implementation. In the fall of 2015, all Kindergarten teachers are now required to implement that portion of the assessment that meets the developmental screening requirement (2 constructs). In the fall of 2016, all Kindergarten teachers are required to implement all constructs associated with the kindergarten portion of the assessment (8 constructs).

GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2013 SESSION LAW 2013-363 HOUSE BILL 112

SECTION 10. The State Board of Education shall implement the developmental screening instrument as provided in G.S. 115C-83.5 in each school in a local school administrative unit enrolling kindergarten students, and according to the approved time line for the administration of the Kindergarten Entry Assessment as provided under Section 3.9 of S.L. 2013-363. Additional components of the Kindergarten Entry Assessment shall be fully implemented in each school in a local school administrative unit enrolling kindergarten students beginning with the 2016-2017 school year.

Participating State Agencies

Describe any changes in participation and commitment by any of the Participating State Agencies in the State Plan.

Nothing to report in 2014.

High-Quality, Accountable Programs

Developing and adopting a common, statewide Tiered Quality Rating and Improvement System (TQRIS) (Section B(1) of Application)

During the current year, has the State made progress in developing or revising a TQRIS that is based on a statewide set of tiered Program Standards that include—

(1) Early Learning & Development Standards	
Yes or No	Yes
Early Learning & Development Standards that currently apply to:	
State-funded preschool programs	✓
Early Head Start and Head Start programs	✓
Early Learning and Development programs funded under section 619 of part B of IDEA and part C of IDEA	✓
Early Learning and Development Programs funded under Title I of ESEA	✓
Early Learning and Development Programs receiving funds from the State's CCDF program:	✓
<i>Center-based</i>	✓
<i>Family Child Care</i>	✓

(2) A Comprehensive Assessment System	
Yes or No	Yes
A Comprehensive Assessment System that currently apply to:	
State-funded preschool programs	✓
Early Head Start and Head Start programs	✓
Early Learning and Development programs funded under section 619 of part B of IDEA and part C of IDEA	✓
Early Learning and Development Programs funded under Title I of ESEA	✓
Early Learning and Development Programs receiving funds from the State's CCDF program:	✓
<i>Center-based</i>	✓
<i>Family Child Care</i>	✓

(3) Early Childhood Educator qualifications	
Yes or No	Yes
Early Childhood Educator qualifications that currently apply to:	
State-funded preschool programs	✓
Early Head Start and Head Start programs	✓
Early Learning and Development programs funded under section 619 of part B of IDEA and part C of IDEA	✓
Early Learning and Development Programs funded under Title I of ESEA	✓
Early Learning and Development Programs receiving funds from the State's CCDF program:	✓
<i>Center-based</i>	✓
<i>Family Child Care</i>	✓

Developing and Adopting a common, statewide Tiered Quality Rating and Improvement System (TQRIS)
(Continued)

(4) Family engagement strategies	
Yes or No	Yes
Family engagement strategies that currently apply to:	
State-funded preschool programs	✓
Early Head Start and Head Start programs	✓
Early Learning and Development programs funded under section 619 of part B of IDEA and part C of IDEA	✓
Early Learning and Development Programs funded under Title I of ESEA	✓
Early Learning and Development Programs receiving funds from the State's CCDF program:	✓
<i>Center-based</i>	✓
<i>Family Child Care</i>	✓

(5) Health promotion practices	
Yes or No	Yes
Health promotion practices that currently apply to:	
State-funded preschool programs	✓
Early Head Start and Head Start programs	✓
Early Learning and Development programs funded under section 619 of part B of IDEA and part C of IDEA	✓
Early Learning and Development Programs funded under Title I of ESEA	✓
Early Learning and Development Programs receiving funds from the State's CCDF program:	✓
<i>Center-based</i>	✓
<i>Family Child Care</i>	✓

(6) Effective data practices	
Yes or No	Yes
Effective data practices that currently apply to:	
State-funded preschool programs	✓
Early Head Start and Head Start programs	✓
Early Learning and Development programs funded under section 619 of part B of IDEA and part C of IDEA	✓
Early Learning and Development Programs funded under Title I of ESEA	✓
Early Learning and Development Programs receiving funds from the State's CCDF program:	✓
<i>Center-based</i>	✓
<i>Family Child Care</i>	✓

The State has made progress in ensuring that:	
TQRIS Program Standards are measurable	✓
TQRIS Program Standards meaningfully differentiate program quality levels	✓
TQRIS Program Standards reflect high expectations of program excellence commensurate with nationally recognized standards that lead to improved learning outcomes for children	✓
The TQRIS is linked to the State licensing system for Early Learning and Development Programs	✓

Describe progress made during the reporting year in developing or revising a TQRIS that is based on a statewide set of tiered Program Standards. Please describe the State's strategies to ensure that measurable progress will be made in this area by the end of the four-year grant period.

Explanation for Previous Check Boxes: We believe the intent of the previous set of questions is to indicate which program standards will apply to which programs under the revised TQRIS. NC is currently in the process of revising its TQRIS, so we answered the questions based on what we expect to be in place once the TQRIS revisions have been completed. Many of the program types listed in the previous set of questions are licensed in NC. All of those licensed programs will have to meet the new standards in the revised TQRIS because our TQRIS is built into licensing. During 2014, all Head Start/Early Head Start programs and public school NC Pre-K programs that were not already licensed completed the licensing process. North Carolina does not anticipate implementing significant revisions to its TQRIS during the course of the RTT-ELC grant, but will continue to work toward well-grounded and meaningful recommended revisions that can be implemented following the completion of the TQRIS Validation Study.

North Carolina has a mature TQRIS that includes standards related to educator qualifications, measures of environmental quality (the Environment Rating Scales), family engagement, and health promotion practices, as well as other aspects of program quality. All licensed programs participate in the TQRIS. Proposed revisions to the TQRIS will ensure that the program standards address the six areas specified in the RTT-ELC grant requirements. Validation and testing of a possible revised TQRIS model is in progress as described below in the section "Validating the effectiveness of the State TQRIS".

Incentives have been key to helping the early childhood community embrace and work toward new and better standards. The RTT-ELC grant has helped NC develop and roll-out Continuing Education Unit (CEU) bearing courses related to the Early Learning Standards, cultural competence, curriculum and instructional assessment, family engagement, and improving early childhood leadership, and during 2014, NC has worked toward making these courses available on-line for the purposes of accessibility and sustainability. Additionally, NC has launched a Professional Development Bonus Program to reward ELD programs that demonstrate inclusion of these policies and practices in their programs. Specific eligibility criteria have been developed for early learning and development centers and family child care homes that serve or have indicated a willingness to, and have a history of serving children receiving child care subsidy or enrolled in Head Start or NC Pre-K (state-funded pre-k). Additional information on the progress of specific coursework is provided in the sections below, "Promoting Early Learning Outcomes: Comprehensive Assessment System", and "Supporting Early Childhood Educators in Improving Their Knowledge, Skills and Abilities", and "Engaging and Supporting Families".

Additional information about the 6 program standards delineated in the previous pages of this section is provided below.

1. Early Learning and Development Standards (ELDS): NC revised its ELDS and has developed various professional development tools to support early childhood educators' awareness and use of the new ELDS. Multiple early childhood programs use the ELDS to guide their work. The revised TQRIS may incorporate progressive requirements for implementation of the ELDS at each level of the rating system.
2. Comprehensive Assessment Systems: Various early childhood programs implement aspects of a comprehensive assessment system. NC has provided additional training in CLASS, as measure of teacher-child interactions, and trained a statewide network of trainers who can provide ongoing training and support. The CLASS will be used as a tool to inform technical assistance and program improvement plans. Professional development related to curriculum and assessment of children to guide instruction has been developed and is being offered statewide for the early childhood community, in anticipation of the possible addition of assessment standards in the revised TQRIS.
3. Early Childhood Educator Qualifications: Early childhood educator qualifications comprise half of the NC Star Rated License and so are of critical importance to all ELD programs in the state. NC is testing incremental increases in educator qualifications as part of the TQRIS validation study. These increases have been informed by data from the Workforce Study, (described in Section D-2 of this report), indicating some educational gains by the ELD workforce across the state.
4. Family Engagement Strategies: The revised TQRIS may include additional family engagement standards. In anticipation of the possible additional family engagement standards - and in recognition of Head Start's expertise in meaningfully engaging families, NC is utilizing selected Head Start/Early Head Start programs as "hubs" to provide technical assistance on family engagement strategies to community-based early learning programs. These training, technical assistance, demonstration and coaching services are available statewide.
5. Health Promotion Practices: The revised TQRIS may include additional health promotion practices, and various projects are supporting health practices in early childhood programs.
6. Effective Data Practices: NC has program and child-level data from various early childhood programs, but is not able to combine those data across programs yet. The development of an early childhood integrated data system will enable agency leaders and policy makers to better answer critical policy questions that require data from multiple programs. NC has also developed and offers training statewide to support early childhood educators' use of child assessment to guide instruction.

Promoting Participation in the TQRIS (Section B(2) of Application)

Describe progress made during the reporting year in promoting participation in the TQRIS. Please describe the State's strategies to ensure that measurable progress will be made in this area by the end of the four-year grant period.

North Carolina has a mature TQRIS built into its licensing system (the NC Star Rated License). One hundred percent of North Carolina's early learning and development (ELD) programs required to be licensed are already included in the TQRIS. This includes center-based care, family child care homes for two or more unrelated children, Head Start/Early Head Start, and public school NC Pre-K programs. Eighty five percent of these programs are three star and above. Financial incentives, technical assistance, and other supports are used to keep and increase, where possible, the number and percentage of programs participating in the TQRIS. Several grant activities promote participation in the TQRIS.

The activity "Support to Enter the TQRIS" provides technical assistance through mini-grants to bring unlicensed public school and faith-based ELD programs into the TQRIS. Through this activity all public school NC Pre-K programs and all faith-based programs were contacted/ recruited to participate in the program. Eighty one public school programs have applied for and received a pre-licensing mini-grant, and fifteen faith-based programs operating with a GS 110-106 letter of compliance have applied for and been granted a pre-licensing mini-grant. One of the faith-based programs receiving a mini-grant was closed returning funds. All public school NC Pre-K programs are now licensed. The Division of Child Development and Early Education (DCDEE) determined that the remaining faith-based programs are unlikely to participate, so a decision has been made to close out the project, end recruitment, and support in-process programs to become licensed by mid-2015.

The activity "A Task Force on Licensing" was designed to hold regional meetings of programs not currently participating in (or required to participate in) NC's Star Rated License. The project was shifted to Child Care Resource and Referral (CCR&R) Regions in the form of surveys to family/friend/neighbor care providers and part-day preschool programs across the state. CCR&R staff reached out to unlicensed providers in their regions to gather information, and DCDEE compiled the final report. The report is available on the NC RTT-ELC website (<http://earlylearningchallenge.nc.gov/sites/default/files/Task%20Force%20on%20Licensure%20Final%20Report.pdf/>). Findings from the survey participants included: 1) license-exempt child care programs value freedom from regulation because of the flexibility it provides them in terms of curriculum and activities, philosophy, etc.; 2) personal connections are the high priority for why parents select their program for child care; and 3) most license-exempt programs would be interested in training about child development and/or licensing. DCDEE management is currently considering how to fund regular outreach to license-exempt programs across the state and utilize trainings, particularly in child development, so that those interested in licensing may participate in the future and others may better understand how their priorities can coexist with licensure.

Furthermore, the activity "Faith-Based Engagement" was designed to reach out to faith-based child care programs to discuss and support their possible inclusion in the TQRIS system. The four regional Summits funded by the grant that were completed in 2013 generated much interest from the faith community. During 2014, local Faith Summits were held, funded by the local community through the efforts of county leaders who attended the Summits during the previous year, who were determined to carry forward the messages and information. Local Faith Summits continue to be envisioned, planned for and held in counties across the state, usually funded and implemented by private resources. Programs expressing interest in next steps toward becoming licensed are connected with the Regulatory Section of the Division of Child Development and Early Education for support to enter the TQRIS.

Performance Measure (B)(2)(c)

In the table, provide data on the numbers and percentages of Early Learning and Development Programs that are participating in the State's TQRIS by type of Early Learning and Development Program. Targets must be consistent with those in the State's application unless a change has been approved.

Performance Measure (B)(2)(c): Increasing the number and percentage of Early Learning and Development Programs participating in the statewide TQRIS.

Targets										
Number and percentage of Early Learning and Development Programs in the TQRIS										
Type of Early Learning & Development Program in the State	Baseline		Year 1		Year 2		Year 3		Year 4	
	#	%	#	%	#	%	#	%	#	%
State-funded preschool	850	75.00%	990	90.00%	1,045	95.00%	1,078	98.00%	1,100	100.00%
Early Head Start & Head Start ¹	350	95.00%	350	95.00%	350	95.00%	350	95.00%	350	95.00%
Programs funded by IDEA, Part C										
Programs funded by IDEA, Part B, section 619	522	54.00%	539	56.00%	567	59.00%	596	62.00%	616	64.00%
Programs funded under Title I of ESEA										
Programs receiving from CCDF funds	6,467	88.00%	6,573	90.00%	6,719	92.00%	7,012	96.00%	7,012	96.00%

¹ Including Migrant and Tribal Head Start located in the State.

Actuals									
Number and percentage of Early Learning and Development Programs									
Type of Early Learning & Development Program in the State	Baseline			Year 1			Year 2		
	# of programs in the State	# in the TQRIS	%	# of programs in the State	# in the TQRIS	%	# of programs in the State	# in the TQRIS	%
State-funded preschool	1,100	850	75.00%	1,121	1,028	84.00%	1,218	1,027	84.00%
Specify:	NC Pre-K								
Early Head Start & Head Start ¹	368	350	95.00%	368	350	95.00%	368	350	95.00%
Programs funded by IDEA, Part C	-	-	0.00%	-	-	0.00%	-	-	0.00%
Programs funded by IDEA, Part B, section 619	962	522	54.00%	962	545	57.00%	962	568	59.00%
Programs funded under Title I of ESEA	-	-	0.00%	-	-	0.00%	-	-	0.00%
Programs receiving from CCDF funds	7,304	6,467	88.00%	6,190	5,694	91.00%	5,525	5,129	93.00%

¹ Including Migrant and Tribal Head Start located in the State.

Actuals						
Number and percentage of Early Learning and Development Programs						
Type of Early Learning & Development Program in the State	Year 3			Year 4		
	# of programs in the State	# in the TQRIS	%	# of programs in the State	# in the TQRIS	%
State-funded preschool	1,170	1,170	100.00%			
Specify:	NC Pre-K					
Early Head Start & Head Start ¹	424	402	95.00%			
Programs funded by IDEA, Part C	-	-	0.00%			
Programs funded by IDEA, Part B, section 619	2,013	1,308	65.00%			
Programs funded under Title I of ESEA	645	510	79.00%			
Programs receiving from CCDF funds	5,230	4,952	95.00%			

¹ Including Migrant and Tribal Head Start located in the State.

Performance Measure (B)(2)(c) Data Notes

Indicate if baseline data are actual or estimated; describe the methodology used to collect the data, including any error or data quality information; and please include any definitions you used that are not defined in the notice.

For state-funded preschool (NC Pre-K): As of July 1, 2014, all public and private programs and public schools serving NC Pre-K children must maintain a four or five star rated license. Programs may operate under a DCDEE Temporary License, which any program - public or private --may qualify (e.g., change of ownership), while working to meet four or five star rated licensure requirements.

For Head Start and Early Head Start: All Early Head Start and Head Start programs in the state are licensed and participate in the TQRIS, with the exception of two school districts. School districts are not required to be licensed, but all except two voluntarily participate in the TQRIS.

For programs funded by IDEA Part C: North Carolina does not fund ELD programs through Part C of IDEA, but rather provides funds for supports and services to be provided in the child's natural setting. Thus, if a young child receiving Part C of IDEA services is enrolled in a licensed child care center or a registered family child care home, then the licensed/registered program would participate in the TQRIS, but there are not separate ELD programs in NC funded under Part C of IDEA.

For programs funded by IDEA Part B, section 619 and Title I of ESEA: North Carolina has worked to blend different funding streams to create inclusive early childhood settings. Therefore, data for programs funded under IDEA Part B, section 619 and Title I of ESEA are cannot be separated out as they are for blended programs. However, for the 2014 year, due to the survey being administered differently, the number of classrooms, rather than programs were able to be calculated. The survey was changed because a "school-based program" participating in TQRIS reflects only the classrooms in a school that are licensed, there is the possibility that other classrooms in the same site are not. Therefore, in an effort to get a more accurate portrayal of participation in TQRIS, the survey was constructed to query the number of licensed classrooms by site and funding stream. As a result, as opposed to previous years, Year Three data are provided independently for IDEA Part B, 619 and Title I of ESEA programs, although the numbers and percentages represent the number of classrooms instead of programs. For both of these programs, even when looking independently at the number of classrooms instead of programs, the actual data for both exceeded the targets.

Performance Measure (B)(2)(c) Target Notes

For all targets that were not reached in the reporting year, please describe the State's strategies to ensure that measurable progress will be made in reaching the established grant targets by the end of the grant period.

Programs receiving CCDF funds: The actual number of programs receiving CCDF funds participating in the TQRIS decreased to 4,952 programs. This drop may be a result of a new requirement that all programs receiving CCDF funds must have a 3, 4, or 5 star level rating. Therefore, it may be that some programs are not yet meeting this requirement. As noted in the narrative section above, there are several activities that are part of the grant projects designed to increase participation of programs at higher levels in the TQRIS. However, the baseline number of programs also decreased to 5,230 programs, making the percentage of CCDF programs in the TQRIS to come to 95%, which is what we used to compare from year to year since the baseline numbers change annually. While this did not meet our target of 96%, the overall percentage did increase by two points from 2013. Our target for next year is also 96%. Therefore, based on the data from this year where the percentage rose by two points, it is anticipated that we will meet our target goal of 96% of programs receiving CCDF funds being in the TQRIS at the end of the grant period.

Rating and monitoring Early Learning and Development Programs (Section B(3) of Application)

Has the State made progress during the reporting year in developing and enhancing a system for rating and monitoring the quality of Early Learning and Development Programs that participate in the TQRIS that:

System for Rating & Monitoring	
Includes information on valid and reliable tools for monitoring such programs	Yes
Has trained monitors whose ratings have an acceptable level of inter-rater reliability	Yes
Monitors and rates Early Learning and Development Programs with appropriate frequency	Yes
Provides quality rating and licensing information to parents with children enrolled in Early Learning and Development Programs (e.g., displaying quality rating information at the program site)	Yes
Makes program quality rating data, information, and licensing history (including any health and safety violations) publicly available in formats that are easy to understand and use for decision making by families selecting Early Learning and Development Programs and families whose children are enrolled in such programs	Yes

Describe progress made during the reporting year in developing and enhancing a system for rating and monitoring the quality of Early Learning and Development Programs that participate in the TQRIS. Describe the State's strategies to ensure that measurable progress will be made in rating and monitoring Early Learning and Development Programs by the end of the grant period.

North Carolina has a mature system for rating and monitoring the quality of early learning and development (ELD) programs that participate in the TQRIS, the NC Star-Rated License system. See the narrative related to revising the TQRIS for detailed information about plans to enhance this system. Recommendations for changes in rule and statute to enhance the current system will be submitted to the appropriate decision-making bodies following completion of the TQRIS Validation Study.

Another project in NC's RTT-ELC grant is the Measure Development Project, which is contracted with the University of North Carolina at Greensboro. The goal of this project, which is being carried out by a multi-state consortium led by North Carolina, is to develop a new program quality measure that captures dimensions of quality not currently captured by current measures, and that can be used in a TQRIS. The multi-state consortium includes Delaware, Kentucky and North Carolina. The plan is to coordinate a pilot of the new measure with the pilot of the proposed revisions to the TQRIS. Although the conceptualization of items and measurement process has a foundation in children's experiences, classroom and program practices known to promote optimal development and learning will be the focus of the measure. Current measurement approaches emphasize the classroom as the unit of analysis with little attention to the programmatic systems that underlie classroom performance.

The measure is grounded in Early Learning and Development Standards as well as current child development theory and research, leading to a focus on practices that support important developmental outcomes valued across multiple states. It includes infant, toddler, preschool, and administrative/program level items and will be relevant for the broad range of programs included in the TQRIS, including centers, family child care homes, public school programs, religious-affiliated programs, and Head Start. The measure is designed to take into consideration multiple sources of evidence from programs, teachers, and classrooms, through multiple methods

including program self-assessment/document review, interviews, and observations and allow for continuous improvement over time. Programs will submit documents for review prior to a verification and observation visit. The program visit will include observations in classrooms across the age ranges included in the program, interviews with directors and teachers, and additional document review. The assessment will result in a program level profile showing program strengths and areas for improvement.

During 2014, the implementation science framework was identified to organize key practices and items, specifically to reframe or re-conceptualize program-level areas as drivers. A draft of program administration key practices were developed, shared with the Validation Study Team and Advisory Committee, and presented at the Smart Start Conference. Video footage was prepared for the pilot, and an overview of the project, highlighting a crosswalk of standards and key practices with key constructs, was presented at the National Association for the Education of Young Children (NAEYC) Professional Development Institute. Ongoing meetings continue with members of the Measurement Development Project and project leaders for the NC's TQRIS Validation Study to share information about the two projects, discuss possible points of intersection, and to maximize resources.

Promoting access to high-quality Early Learning and Development Programs for Children with High Needs (Section B(4) of Application)

Has the State made progress in improving the quality of the Early Learning and Development Programs that are participating your State TQRIS through the following policies and practices?

Policies and Practices Supporting Program Quality	
Program and provider training	Yes
Program and provider technical assistance	Yes
Financial rewards or incentives	Yes
Higher, tiered child care subsidy reimbursement rates	Yes
Increased compensation	Yes

Number of tiers/levels in the State TQRIS
5

How many programs moved up or down at least one level within the TQRIS over the last fiscal year?

	State-funded preschool programs	Early Head Start	Head Start programs	Early Learning and Development programs funded under section 619 of part B of IDEA and part C of IDEA	Early Learning and Development Programs funded under Title I of ESEA	Center-based Early Learning and Development Programs receiving funds from the State's CCDF program	Family Child Care Early Learning and Development Programs receiving funds from the State's CCDF program
TQRIS Programs that Moved Up at Least One Level							
TQRIS Programs that Moved Down at Least One Level							

Optional Notes – State TQRIS Tiers/Levels

Explain missing data. If program movement up or down is not tracked by program type in the TQRIS you can provide the Total Programs that Moved Up and Total Programs that Moved Down in this optional notes box.

North Carolina's response to the question above "How many programs moved up at least one level within the TQRIS over the last fiscal year?" is:

- 384 child care centers increased their star rating in calendar 2014.
- 178 family child care homes increased their star rating in calendar 2014.

The Division of Child Development and Early Education can only provide this information for the number of child care centers and family child care homes. Further delineation is not possible at this time.

North Carolina's response to the question above "How many programs moved down at least one level within the TQRIS over the last fiscal year?" is:

- 107 child care centers decreased their star rating in calendar 2014.
- 72 family child care homes decreased their star rating in calendar 2014.

The Division of Child Development and Early Education can only provide this information for the number of child care centers and family child care homes. Further delineation is not possible at this time.

Has the State made progress in developing high-quality benchmarks at the highest level(s) of the TQRIS in the following areas?

High-Quality Benchmarks at the Highest Level(s) of the TQRIS	
Standards alignment or reciprocity with Early Learning and Development Programs that meet State preschool standards (e.g., content of the standards is the same, or there is a reciprocal agreement between State preschool and the TQRIS)	Yes
Standards alignment or reciprocity with Early Learning and Development Programs that meet Federal Head Start Performance Standards (e.g., content of the standards is the same, there is a reciprocal agreement between Head Start and the TQRIS, or there is an alternative pathway to meeting the standards)	Yes
Standards alignment or reciprocity with Early Learning and Development Programs that meet national accreditation standards (e.g., content of the standards is the same, or an alternative pathway to meeting the standards)	Yes
Early Learning and Development Standards	Yes
A Comprehensive Assessment System	Yes
Early Childhood Educator qualifications	Yes
Family engagement strategies	Yes
Health promotion practices	Yes
Effective data practices	Yes
Program quality assessments	Yes

Please provide more detail on your development of high-quality benchmarks at the highest level(s) of the TQRIS. Please describe the State's strategies to ensure that measurable progress will be made in developing high-quality benchmarks at the highest level(s) of the TQRIS by the end of the grant period.

North Carolina has a mature TQRIS that includes high-quality benchmarks related to educator qualifications, measures of environmental quality (the Environment Rating Scales), family engagement, and health promotion practices, as well as other aspects of program quality. As described in the section related to revising the TQRIS, North Carolina has recommended high-quality benchmarks at the highest levels of the to-be-revised TQRIS. NC is conducting the TQRIS Validation Study that will be used to guide recommendations about proposed TQRIS benchmarks.

A mapping process completed by the NC Division of Child Development and Early Education (DCDEE) staff, provided the starting point for development of alternative TQRIS models, tested in phase I of the validation study. New models proposed progressively higher benchmarks at each level, including a new focus on program administration items (including positive work environment, use of professional development plans and coaching of teaching staff, personnel and family handbooks, etc.); use of Early Learning and Development Standards (ELDS); environmental quality as measured by environment rating scales or other measurement tools, teacher-child interaction, educator qualifications, family engagement strategies, and health promotion practices.

During 2014, additional descriptive analysis of child care centers was conducted and presented to DCDEE to provide more information about staff education and Environment Rating Scales. Additional mapping analysis for alternative TQRIS models for child care centers and family child care homes was conducted and submitted to DCDEE. Targeted provider interviews are planned to gather additional data, and the main focus of the new TQRIS model will be to translate the current points system to a hybrid block and point model and to try to embed this focus on the importance of program administrative support to overall quality and high functioning of the program.

Even while NC studies possible revisions to its TQRIS, several strategies are in place to prepare the workforce and support programs to meet high quality benchmarks and ensure that measureable progress will be made by the end of the grant period.

The Professional Development Bonus Program provides incentives for Early Learning and Development (ELD) programs that implement certain policies and practices related to staff professional development, including requiring professional development plans, requiring training on the new ELDS, and using a salary schedule that rewards education and retention. A total of eighty nine applications for the Professional Development Bonus Award have been submitted. Of these, sixty one were complete and have been or are being processed for payment. Fifty nine applications were from child care centers, thirty were from family child care home providers.

The activity "Enhanced Child Care Resource & Referral" provides CEU based courses developed in other RTT-ELC projects in order to increase the knowledge and skills of the ELD workforce in the areas of Cultural Competence; ELD Standards; and Choosing and Using Appropriate Curricula and Formative Assessment. Details about the progress of each of these can be found in Section C.

For ELD program directors, the Early Childhood Directors Leadership Institute provides intensive training to improve leadership and program management skills. Additional information on the Early Childhood Directors Leadership Institute can be found in the section "Successful State Systems - Stakeholder Involvement".

Performance Measure (B)(4)(c)(1)

In the table, provide data on the number of Early Learning and Development Programs in the top tiers of the TQRIS. Targets must be consistent with those in the State's application unless a change has been approved.

Performance Measure (B)(4)(c)(1): Increasing the number of Early Learning and Development Programs in the top tiers of the TQRIS.

Type of Early Learning & Development Program in the State	Baseline	Targets				Actuals			
		Year 1	Year 2	Year 3	Year 4	Year 1	Year 2	Year 3	Year 4
Total number of programs covered by the TQRIS	8,101	8,341	8,341	8,341	8,341	7,614	7,251	7,083	
Number of Programs in Tier 1	1,119	756	630	516	410	637	484	441	
Number of Programs in Tier 2	892	434	350	281	220	511	335	270	
Number of Programs in Tier 3	1,722	2,335	2,512	2,638	2,755	1,811	1,701	1,630	
Number of Programs in Tier 4	1,811	2,035	2,065	2,114	2,155	1,884	1,890	1,803	
Number of Programs in Tier 5	2,002	2,226	2,259	2,297	2,336	2,128	2,228	2,302	

Performance Measure (B)(4)(c)(1) Data Notes

Describe the methodology used to collect the data, including any error or data quality information; and please include any definitions you used that are not defined in the notice.

For total number of regulated programs: The TQRIS is built into the state's licensing system, so all licensed programs are considered part of the TQRIS. Centers counted in this table include public schools that are licensed. In addition, for 2014 there were 637 other regulated programs that are part of the TQRIS but not in the tiers. Those other regulated programs not in tiers include GS110s which are religious affiliated programs. In addition, of the 637 programs, there are approximately 250 other programs that have temporary licensing and are not eligible to be in the tiered system until they have been in existence for more than six months, and must meet the health and safety licensing requirements. We have also noticed that there appears to be a decline overall in the number of programs covered by the TQRIS in the state. We are not sure why this trend is occurring at this point in time, but will continue to watch it.

Performance Measure (B)(4)(c)(1) Target Notes

For all targets that were not reached in the reporting year, please describe the State's strategies to ensure that measurable progress will be made in reaching the established targets by the end of the grant period.

When looking at the progress made for increasing the number of ELD programs in the top tiers of the TQRIS, the percentages of programs must be compared rather than the numbers as the baseline number of Total Number of Regulated Programs has decreased. The total number of programs for the 2014 year was 7,083. Therefore, when looking at the numbers for each tier, the percentages must be calculated using the new baseline of 7,083.

When comparing the target and actual percentages for each tier:

* Tier 1 met our target percentage (target- 6%, actual- 6%) and also decreased by one percentage point from last year, which we want to see the lower tiers decrease by percentage and numbers.

* Tier 2 however was not met as the percentage was 1% higher than the target (target-3%, actual-4%) instead of decreasing. However, while the target was not met, the percentage of Tier 2 programs in 2014 did decrease by 1% from 2013.

* Tier 3, which we would like to see increase, stayed the same in terms of the percentage of programs, but decreased by 9% compared to the target (target-32%, actual- 23%). However, it is not known if that was because some of those programs moved up to Tiers 4 and 5, or if the number of centers and family homes decreased due to closings or other reasons. North Carolina does not track the movement of programs between tiers, so this information is not available.

* Tier 4 met the target for percentage of programs in that tier (target- 25%, actual- 25%).

* Tier 5 greatly exceeded the target for the percentage of programs in that tier (target-28%, actual-33%).

Performance Measure (B)(4)(c)(2)

In the table, provide data on the number and percentage of children with high needs who are enrolled in Early Learning and Development Programs in the top tiers of the TQRIS. Targets must be consistent with those in the State's application unless a change has been approved.

Performance Measure (B)(4)(c)(2): Increasing the number and percentage of Children with High Needs who are enrolled in Early Learning and Development Programs that are in the top tiers of the TQRIS.

Targets										
Number and percentage of Children with High Needs in programs in top tiers of the TQRIS										
Type of Early Learning & Development Programs in the State	Baseline		Year 1		Year 2		Year 3		Year 4	
	#	%	#	%	#	%	#	%	#	%
State-funded preschool	18,568	75.00%	22,281	90.00%	23,519	95.00%	24,262	98.00%	24,757	100.00%
Early Head Start & Head Start ¹	22,348	92.00%	22,348	92.00%	22,348	92.00%	22,591	93.00%	23,076	95.00%
Programs funded by IDEA, Part C	9,842	100.00%	9,940	100.00%	10,040	100.00%	10,140	100.00%	10,242	100.00%
Programs funded by IDEA, Part B, section 619	13,160	54.00%	13,646	56.00%	14,377	59.00%	15,108	62.00%	15,596	64.00%
Programs funded under Title I of ESEA										
Programs receiving from CCDF funds	60,178	61.00%	62,253	63.00%	64,229	65.00%	66,205	67.00%	69,170	70.00%

¹ Including Migrant and Tribal Head Start located in the State.

Actuals									
Number and percentage of Children with High Needs in programs in top tiers of the TQRIS									
Type of Early Learning & Development Programs in the State	Baseline			Year 1			Year 2		
	# of Children with High Needs served by programs in the State	#	%	# of Children with High Needs served by programs in the State	#	%	# of Children with High Needs served by programs in the State	#	%
State-funded preschool	24,757	18,568	75.00%	27,531	23,632	86.00%	28,986	25,553	88.00%
Specify:	NC Pre-K								
Early Head Start & Head Start ¹	24,291	22,348	92.00%	24,291	22,348	92.00%	24,970	22,972	92.00%
Programs funded by IDEA, Part C	9,842	9,842	100.00%	10,206	10,206	100.00%	10,190	10,190	100.00%
Programs funded by IDEA, Part B, section 619	24,369	13,160	54.00%	23,459	13,372	57.00%	22,661	13,370	59.00%
Programs funded under Title I of ESEA									
Programs receiving from CCDF funds	98,814	60,178	61.00%	73,766	51,433	70.00%	65,753	48,367	76.00%

¹ Including Migrant and Tribal Head Start located in the State.

Actuals						
Number and percentage of Early Learning and Development Programs						
Type of Early Learning & Development Program in the State	Year 3			Year 4		
	# of Children with High Needs served by programs in the State	#	%	# of Children with High Needs served by programs in the State	#	%
State-funded preschool	26,851	26,851	100.00%			
Specify:	NC Pre-K					
Early Head Start & Head Start ¹	22,869	21,268	93.00%			
Programs funded by IDEA, Part C	10,010	10,010	100.00%			
Programs funded by IDEA, Part B, section 619	12,367	8,038	65.00%			
Programs funded under Title I of ESEA	10,333	8,149	79.00%			
Programs receiving from CCDF funds	79,030	61,919	78.00%			

¹ Including Migrant and Tribal Head Start located in the State.

Performance Measure (B)(4)(c)(2) Data Notes

Please indicate whether baseline data are actual or estimated; and describe the methodology used to collect the data, including any error or data quality information; and please include any definitions you used that are not defined in the notice.

Note: The top tiers of NC's TQRIS are defined as having a four or five star license. This data includes children served at any time (as they can go in and out of the system) during that year in a 4 or 5 star program.

For state-funded preschool (NC Pre-K): Pre-K programs in public schools were not required to be licensed during this reporting period. As of July 1, 2014, a new law required all programs serving Pre-K children must be four or five-star rated. The number of NC Pre-K sites participating in the TQRIS has increased because of the new law requiring Pre-K sites in public schools to have a four or five star license by the SFY 2014-2015 school year. During 2012-2013 year, the Governor authorized funding that allowed us to serve more Pre-K children than anticipated. In 2012, the total number of Children with High Needs served by state-funded preschool programs in the state was 27,531. In 2013, the total was 28,986 children served by state-funded preschool programs. In 2014, the total was 26,851. Total enrollment is down because there were less state funds in the program than in the previous years, when non-recurring one-time funds were available for expansion.

For Early Head Start and Head Start: It is estimated that 93% of Early Head Start and Head Start children in the state are in the top tiers of the TQRIS; actual data are not available. This estimate is based on the fact that all Head Start and Early Head Start programs participate in the TQRIS except for two school districts, so we estimate that 95% of programs participate and therefore approximately 93% of children are served in these participating programs. Estimates were also based on licensing data captured from a previous statewide needs assessment done by the North Carolina Head Start State Collaboration Office, and based on the number of funded slots for the year which was 22,869.

For IDEA Part C programs: Baseline and targets are from the December 1, 2010 Headcount Data and assumes a 1% increase per year. Actual data for 2012 are from the December 1, 2012 Headcount Data, actual data for 2013 are from the December 1, 2013 Headcount Data, and actual data for 2014 are from the December 1, 2014 Headcount Data.

For Part B and Title I programs: North Carolina has worked to blend different funding streams to create inclusive early childhood settings. Therefore, data for programs funded under IDEA Part B, section 619 and Title I of ESEA are cannot be separated out as they are for blended programs. However, for the 2014 year, due to the survey being administered differently, estimates of the number of classrooms, rather than programs were able to be calculated. Therefore as opposed to previous years, for Year Three data are provided independently for IDEA Part B, 619 and Title I of ESEA programs, although the numbers and percentages represent the number of classrooms instead of programs. For both of these programs, even when looking independently at the number of classrooms instead of programs, the actual data for both exceeded the targets. For the 2014 year, the combined number of children who were served with Part B and Title I funds in the top tiers of the TQRIS was 16,187 (71%).

Performance Measure (B)(4)(c)(2) Target Notes

For all targets that were not reached in the reporting year, please describe the State's strategies to ensure that measurable progress will be made in reaching the established grant targets by the end of the grant period.

Validating the effectiveness of the State TQRIS (Section B(5) of Application)

Describe progress made during the reporting year in validating the effectiveness of the TQRIS during the reporting year, including the State's strategies for determining whether TQRIS tiers accurately reflect differential levels of program quality and assessing the extent to which changes in ratings are related to progress in children's learning, development, and school readiness. Describe the State's strategies to ensure that measurable progress will be made by the end of the grant period.

The NC TQRIS Validation Study is designed to provide information about how best to revise the NC Star- Rated License (TQRIS). This study is testing a proposed system model developed by the NC Division of Child Development and Early Education (DCDEE) to determine whether the levels in the proposed model meaningfully distinguish levels of quality and are related to child outcomes. DCDEE's model development was guided by (a) recommendations and a conceptual framework developed by the NC QRIS Advisory Committee, which can be found on NC's RTT-ELC website at <http://earlylearningchallenge.nc.gov/activities/revising-ncs-star-rated-license-early-learning-programs/> under "Learn More"; (b) surveys and interviews conducted by Frank Porter Graham Child Development Institute with providers and other stakeholders to gather input about proposed recommendations; (c) mapping of proposed alternative models using data from a sample of programs; and (d) focus groups with a subgroup of QRIS advisory committee members, providers, and families to gather input on the proposed model elements.

The Frank Porter Graham Child Development Institute (FPG) at the University of North Carolina at Chapel Hill continues to collaborate with DCDEE to inform the revisions that will ultimately be tested for validity starting in 2015. During 2014, alternative models were developed and tested for child care centers for the revised TQRIS, with different sets of requirements and data used to determine the likely distribution of providers at revised TQRIS levels. Findings of several TQRIS alternative model mapping exercises for center-based early care and education programs and family child care homes were presented to DCDEE. FPG and Child Trends conducted a webinar to present model variations that would produce an acceptable distribution of star ratings for programs and make the criteria feasible and attainable for programs. Several tests were run with varying thresholds that DCDEE can potentially use to inform the standards revision. FPG began work on selecting the sample data to gather additional information using targeted provider interviews, including conducting a mock interview and developing a crosswalk of interview questions of family child care home and center data. Seven focus groups were held with centers, family child care homes, and families and a report of information gathered was submitted to DCDEE. Interviews with national experts were also conducted to gather information about alternative models. The initial mapping has provided the opportunity to develop a final model that will be tested.

The proposed model represents modest improvements over the current system. The model consists of requirements at levels 1, 3, and 5. The model was set up as a block model with these three levels, meaning that all requirements of a particular level and any below that level must be met in order for a program to be granted a rating at that level. The quality components included in the model are Core Requirements (Level 1 only), Program and Environment, Ratio and Group Size, and Education and Professional Development. Core Requirements consist of administrative and health and safety policies. Program and Environment includes requirements for (a) external quality assessment, with Levels 3 and 5 requiring minimum Environment Rating Scale scores; (b) teacher-child interactions; (c) self-assessment and continuous quality improvement; (d) activities, curriculum, and child assessment; and (e) family engagement, including indicators related to communication, family involvement and support, and inclusion.

The collaboration between members of the TQRIS Validation Team and members of the Measurement Development Project continues for the purposes of sharing information, planning, and to maximize resources.

Based on the recommendations of the QRIS Advisory Committee and the continued work on the validation study, it is anticipated that the revised TQRIS may focus on program administrative practices on overall quality; assessment of quality indicators related to the use of North Carolina's revised Early Learning and Development Standards (*North Carolina Foundations of Early Learning and Development*), global environmental quality (the Environment Rating Scales or other measurement tool), teacher-child interaction, educator qualifications, health promotion practices, and family engagement. Emphasis is being placed on selecting quality indicators that are measurable and reflective of high expectations, aligned with national standards. North Carolina does not anticipate implementing significant revisions to its TQRIS during the course of the RTT-ELC grant, but will continue to work toward well-grounded and meaningful recommendation revisions that can be implemented when the timing is amenable following the completion of the TQRIS Validation Study. This and other RTT-ELC grant-funded activities will provide the information and foundation necessary to support recommended revisions.

Focused Investment Areas: Sections (C), (D), and (E)

Select the Focused Investment Areas addressed in your RTT-ELC State Plan. Grantee should complete only those sections that correspond with the focused investment areas outlined in the grantee's RTT-ELC application and State Plan.

Focused Investment Areas

- (C)(1) Developing and using statewide, high-quality Early Learning and Development Standards.
- (C)(2) Supporting effective uses of Comprehensive Assessment Systems.
- (C)(3) Identifying and addressing the health, behavioral, and developmental needs of Children with High Needs to improve school readiness.
- (C)(4) Engaging and supporting families.
- (D)(1) Developing a Workforce Knowledge and Competency Framework and a progression of credentials.
- (D)(2) Supporting Early Childhood Educators in improving their knowledge, skills, and abilities.
- (E)(1) Understanding the status of children's learning and development at kindergarten entry.
- (E)(2) Building or enhancing an early learning data system to improve instruction, practices, services, and policies.

Promoting Early Learning Outcomes

Early Learning Development Standards (Section C(1) of Application)

Has the State made progress in ensuring that it's Early Learning and Development Standards:

Early Learning and Development Standards	
Are developmentally, culturally, and linguistically appropriate across each defined age group of infants, toddlers, and preschoolers	Yes
Cover all Essential Domains of School Readiness	Yes
Are aligned with the State's K-3 academic standards	Yes
Are incorporated in Program Standards, curricula and activities, Comprehensive Assessment Systems, the State's Workforce Knowledge and Competency Framework, and professional development activities	Yes

Describe the progress made in the reporting year, including supports that are in place to promote the understanding of and commitment to the Early Learning and Development Standards across Early Learning and Development Programs. Please describe the State's strategies to ensure that measurable progress will be made in these areas by the end of the grant period.

North Carolina completed and released its revised Early Learning and Development Standards (ELDS) in 2013 (titled *North Carolina Foundations for Early Learning and Development*). *NC Foundations for Early Learning and Development* can be found on the NC RTT-ELC website at <http://earlylearningchallenge.nc.gov/activities/nc-foundations-early-learning-and-development>. Training and professional development for early childhood educators has been well received during 2014, with 108 courses offered and 1,760 participants completing the course. 95% of Child Care Resource and Referral (CCR&R) trainings and CEU bearing courses are aligned with the new NC ELDS. Eighty CCR&R staff are now trained to deliver ELDS training and 148 professional development and technical assistance staff have completed the training. Due to high demand for copies of the document, an additional 40,000 copies are expected to be printed. Also during 2014, an on-line train the trainer course for *North Carolina Foundations of Early Learning and Development* was developed and is currently in the final design process. The NC Community College System is also supporting a consortium of local community colleges that are embedding *Foundations* throughout the early childhood curriculum. A cross-project meeting was held in November, 2014 with the ELDS Professional Development team and the Community College "Growing Greatness" group (see Section D-2) to establish objectives, agendas and dates for upcoming Higher Education/Technical Assistance Institutes.

Comprehensive Assessment Systems (Section C(2) of Application)

Has the State made progress in implementing a developmentally appropriate Comprehensive Assessment System working with Early Learning and Development Programs to:

Comprehensive Assessment Systems	
Select assessment instruments and approaches that are appropriate for the target populations and purposes	Yes
Strengthen Early Childhood Educators' understanding of the purposes and uses of each type of assessment included in the Comprehensive Assessment Systems	Yes
Articulate an approach for aligning and integrating assessments and sharing assessment results	Yes
Train Early Childhood Educators to appropriately administer assessments and interpret and use assessment data in order to inform and improve instruction, programs, and services	Yes

Describe the progress made during the reporting year. Please describe the State's strategies to ensure that measurable progress will be made in these areas by the end of the grant period.

NC has continued working on components of a Comprehensive Assessment System. NC Pre-K and Head Start utilize child assessment tools that are appropriate for young children, and the NC QRIS Advisory Committee recommended that child assessment standards be included in the childhood educators' understanding of the purposes and uses of assessment, as well as appropriate administration of assessment tools, by developing a .5 CEU course on Choosing and Using Curriculum and Formative Assessment. The course has been developed and is now being offered statewide to child care directors and staff through the Child Care Resource and Referral Network (CCR&R). During 2014, 80 courses were offered and 701 participants completed the training event. Sixty seven CCR&R staff are now trained to deliver the course statewide.

During 2014, NC provided 70 Classroom Assessment Scoring System (CLASS) trainings (56 introductory trainings and 13 observer trainings) and 644 participants completed these trainings. 214 classroom observations were completed by CLASS affiliate trainers and 82 CCR&R staff reported using CLASS in their delivery of technical assistance in 2014. Thirty three CLASS affiliate trainers were trained during 2014 in the CCR&R regions.

In addition, the NC Department of Public Instruction is working with the FirstSchool initiative of the Frank Porter Graham Child Development Institute at the University of North Carolina at Chapel Hill on the RTT-ELC activity "Using Data to Improve Classroom Instruction". This activity is designed to strengthen the use of assessment data to guide instruction in schools pre-kindergarten through third grade. The FirstSchool model is under implementation in Bertie and Martin Counties, which are two adjacent small districts in Northeastern NC.

FirstSchool develops school leaders' and teachers' knowledge and skills in order to improve the school experiences and outcomes for children across the PreK-3 continuum. The approach emphasizes collaboration and the use of data and inquiry to guide and monitor change efforts. Observational data from the FirstSchool Snapshot and CLASS are used to address evidence based characteristics of practices that support children. During 2014, classroom observations using Snapshot and CLASS continued, and data collected and analyzed. FirstSchool staff provided coaching and professional development throughout the year for teachers, Leadership Teams and principals for all schools as well as central office staff. Professional development has focused on developing a culture of excellence with emphasis on the development of higher order thinking through the delivery of high quality questioning and high quality feedback. Additional professional development in one of the counties focused on project-based learning, building a classroom community, and cognitively-guided

instruction in math. Facilitated visits to the Pre-K and Kindergarten demonstration classroom with a debriefing following were conducted with elementary school principals and Elementary Program Directors to help them to gain a deeper understanding of play based learning. Work with principals has focused on the benefit of the daily 3-minute classroom walk-through process and how they might use this approach to improve instructional practices within individual classrooms and the school as a whole. Guided one-hour (or more) walk-through of Pre-K - Grade 3 classrooms were held with principals, targeted data was gathered, and afterwards data and observational notes were compared and reflected upon. This will be an ongoing activity.

Health Promotion (Section C(3) of Application)

Has the State made progress in:

Child Health Promotion	
Establishing a progression of standards for ensuring children's health and safety	Yes
Ensuring that health and behavioral screening and follow-up occur	Yes
Promoting children's physical, social, and emotional development across the levels of your TQRIS Program Standards	Yes
Increasing the number of Early Childhood Educators who are trained and supported in meeting the health standards	Yes
Promoting healthy eating habits, improving nutrition, expanding physical activity	Yes
Leveraging existing resources to meet ambitious yet achievable annual targets	Yes

Describe the progress made during the reporting year. Please describe the State's strategies to ensure that measurable progress will be made in this area by the end of the grant period.

In 2014, North Carolina's Early Learning Challenge activities that promote young children's health included the following:

- The proposed revised TQRIS may include more standards on health promotion.
- The North Carolina Partnership for Children (NCPC) has continued efforts in 2013 to expand the Assuring Better Child Health and Development (ABCD) model, a proven, universal approach to screening young children in primary health care settings. ABCD works to increase developmental and autism screening and referral rates for all young children within the medical home by integrating routine screening into well-child visits, using either the Ages and Stages Questionnaire (ASQ) or the Parents Evaluation of Developmental Skills (PEDS). Medical professionals are also taught to use the Modified Checklist for Autism in Toddlers (MCHAT). NCPC's goals are to leverage existing ABCD programs and link with Community Care Network of NC (CCNC) to expand ABCD statewide. In 2014, quarterly Quality Improvement meetings and State ABCD Advisory Committee meetings were held to engage support for state-wide expansion. This resulted in working with the Early Intervention branch State leadership to improve and institutionalize communication between the Regional Children's Developmental Services Agencies (CDSAs) and the medical practices. In addition, great progress was made working with NC Department of Public Instruction (DPI) Exceptional Children's Program to finalize changes to their process of receiving notification of children from the medical home and providing feedback about their service eligibility. DPI will release this new process in early 2015 and re-train their preschool coordinators. The new process will include use of the Medical Home Feedback form that was developed by the ABCD State Advisory Committee to allow for both DPI and CDSA to provide feedback to the Medical Home after evaluation/assessment of children referred. Monthly technical assistance calls are held with the project manager and all ABCD coordinators to share progress and successes, challenges and questions. A second ABCD training took place in April, 2014 (the first was in Sept. 2013) and was attended by all new ABCD coordinators as well as most of the other coordinators who benefited from

this opportunity to network and learn. The project manager worked with the evaluator to prepare and present the latest data which indicates expectations have been exceeded. By the end of 2014, ABCD coordinators have been working with 127 practices and more than 700 medical providers across the state. The Evaluator is compiling an annual report for 2014 to provide detailed information on the successes.

- NCPC, in partnership with University of North Carolina at Chapel Hill's NC Child Care Health and Safety Resource Center (NCCCHSRC) is also building statewide capacity and effectiveness for child care health consultation. The project has established a regional coaching model for Child Care Health Consultants (CCHCs) targeting promotion of a medical home for ongoing preventive health care and promotion of health literacy. Three regional coaches were hired and received intensive training and supervision from the NCCCHSRC in the coaching model. These regional coaches will train CCHCs across the state, who will then utilize the coaching approach during their consultation visits with child care providers. The training for regional coaches was completed late 2013, and the Transformation Zone counties were prioritized in a regional roll out plan which began in early 2014. To date, all CCHC have been trained in the coaching model and are utilizing coaching in their consultation visits with child care facilities. All Transformation Zone counties are implementing services and have worked with their agencies and stakeholders to identify child care centers and homes prioritized for intensive health and safety consultation. Local partnerships with support of CCHC Coaches have worked to align CCHC services. The NC Health and Safety Assessment Tool APP is not ready for piloting, however, the existing tool has been updated and released for use, and training on how to use the tool has been provided by CCHC Coaches. The CCHC Model Performance Assessment Tool, which is intended to be utilized by CCHCs, supervisors, and agencies to assess their on-going implementation of the CCHC Model, was piloted. The CCHC Model and Performance Assessment tool were enhanced based on feedback. The CCHC Coaching evaluation collection is ongoing with NCPC, staff from Frank Porter Graham Child Development Institute of the University of North Carolina at Chapel Hill, and staff from the NCCCHSRC involved. Quarterly cross-county calls using a community of practice approach to the implementation of CCHC services in the Transformation Zone continues. A NC CCHC Nurse was hired by the NC Division of Public Health and joins monthly calls with CCHC Coaches and NCPC to encourage information sharing and ongoing communication. A cross-project collaboration has developed with the Eastern Regional CCHC Coach supporting the development of a Transformation Zone Early Literacy Coaching presentation, based on the CCHC Coaching module and training.
- The NC Division of Public Health (DPH) is working with the Center for Child and Family Health, and local county health departments to implement Family Connects, a universal nurse home-visiting program for newborns and their families, in the Transformation Zone. During 2014, all staff for the project were hired, trained, and the program began to provide services to families in September 2014, including home visiting, screening, referral and other services in the Transformation Zone. A team consisting of partners from the ELC grant management team, DPH, Center for Child and Family Health, National Implementation Research Network, and local health departments met on a regular basis to discuss and resolve implementation barriers. Arrangements were made for the Division of Public Health (1) to house Family Connects data on a secure HIPPA compliant server and local office space was secured in Plymouth, NC, (2) to provide and support all the computer hardware, software and IT support for the program, and (3) to provide daily referrals of all newborns in the Transformation Zone. Local office space was secured in Plymouth, NC. Family Connects staff worked with local county teams to identify local family support resources and recruitment strategies that would be effective in their respective

communities. In addition, a Family Connects Community Outreach and Communications plan was developed to support program awareness and recruitment in the Transformation Zone counties. During 2014, 117 home visits were provided in the four counties.

Performance Measure (C)(3)(d)

In the table, provide data on leveraging existing resources to meet ambitious yet achievable statewide targets. Targets must be consistent with those in the State's application unless a change has been approved.

Performance Measure (C)(3)(d): Leveraging existing resources to meet ambitious yet achievable annual statewide targets.

	Baseline	Targets				Actuals			
		Year 1	Year 2	Year 3	Year 4	Year 1	Year 2	Year 3	Year 4
Number of Children with High Needs screened	313,506	316,724	323,967	329,648	333,673	349,155	340,310	335,033	
Number of Children with High Needs referred for services who received follow-up/treatment									
Number of Children with High Needs who participate in ongoing health care as part of a schedule of well child care									
Of these participating children, the number or percentage of children who are up-to-date in a schedule of well child care	348,776	355,102	363,674	374,021	381,268	341,406	337,956	337,956	

Performance Measure (C)(3)(d) Data Notes

Indicate if baseline data are actual or estimated; describe the methodology used to collect the data, including any error or data quality information; and please include any definitions you used that are not defined in the notice.

Note: High needs children in this table are defined as children ages 0-5 who are eligible for Medicaid. The numbers in the tables are estimates based on calculations. The original numbers and subsequent targets were initially reported by percentages, not numbers. However, in order to fill in the tables using the format provided, calculations were done to be able to provide numbers. It is recommended though that when looking at progress made and comparing the targets to the actuals, the percentages below be examined instead, especially because the baseline numbers change from year to year so comparing the numbers do not accurately portray the annual changes made.

*For Number of Children with High Needs Screened: Data represent the number of children by years of age who are eligible for Medicaid and received at least one initial or periodic screening during the year. Data source: CMS HCFA-416 Annual EPSDT Participation Report <http://www.ncdhhs.gov/dma/healthcheck/cms416fy0708.pdf>. Data are from the CMS HCFA-416 Annual EPSDT Participation Reports <http://www.ncdhhs.gov/dma/healthcheck/cms416reports.htm>. Data for Year Three are from the 2013-2014 fiscal year. Data provided in the table represents the total number of children ages 0-5 who are eligible for Medicaid and received at least one initial or periodic screening during the year. A breakdown of the number of children by age is provided below.

* Baseline data (2007-2008 year, which was the most recent available data at the time of the application)

- <1: 74,256 (92%)
- 1-2 years: 125,043 (80%)
- 3-5 years: 114,207 (69%)

* Year 1 data:

- <1: 92,635; 95% (target 92%)
- 1-2: 113,844; 80% (target 81%)
- 3-5: 142,676; 69% (target 70%)

* Year 2 data:

- <1: 57,620; 97% (target 93%)
- 1-2: 126,432; 86% (target 83%)
- 3-5: 156,258; 74% (target 72%)

* Year 3 data:

- <1: 56,735; 96% (target 94%)
- 1-2: 123,724; 84% (target 84%)
- 3-5: 154,574; 73% (target 74%)

*There are no data available for the number of children with high needs referred for social services who received follow-up treatment, as the state does not collect these data.

*Data are not available on the number of children who participate in ongoing health care as part of a schedule of well child care. However, data are collected on screenings using a Screening Ratio, which indicates the extent to which EPSDT eligibles receive the number of initial and periodic screening services required by the State's periodicity schedule, adjusted by the proportion of the year for which they are Medicaid eligible (using a CMS formula). Screening ratio data are included below in the data notes, as they cannot easily be entered into the table format and therefore those cells are intentionally left blank. Baseline data: (2007-2008 year, the most recent available data at time of application), for children under age 1, the screening ratio was 1.59; the screening ratio for children ages 1-2 years was 1.05; and it was 0.74 for children ages 3-5 years. Because EPSDT allows for additional interperiodic well child checkups and screenings for children when needed, these screening ratios may exceed 1.0 (or 100%). For the 2013-2014 year, the screening ratios for children ages 0-5 were <1= 1.00, 1-2= 1.00, 3-5= 0.78.

*For the participating children, the number or percentage of children who are up-to date in a schedule of well child care: Data are only available for those children on Medicaid who were continuously eligible for the year ending in March, and looks at children at two time periods, 15 months old and 3-6 years old. Therefore, these numbers do not represent children who participated in ongoing health care, but were not continuously eligible. For a 15 month old to be considered up-to-date, they must have received 6+ visits; while children ages 3-6 years old must have received an annual visit. Data sources: Quality Measurement and Feedback Initiative Data (QMAF) Report, 2011, 2012, 2013. Data for 2014 are not available as the state is currently in the process of converting and moving their data into new data systems. Therefore the data presented in the table for Year 3 are data from 2013.

* Baseline data:

66.7% of children with high needs at 15 months old are up-to-date

70.9% of high needs children ages 3-6 years are up-to-date.

* Year One data:

actual: 65% of children with high needs at 15 months are up-to-date (target 68%)

actual 70% of high needs children ages 3-6 years are up-to-date (target 72%)

* Year Two data:

actual: 64% of children with high needs at 15 months are up-to-date (target 70%)

actual 70% of high needs children ages 3-6 years are up-to-date (target 73%)

*Year Three data: not available as the state is currently in the process of converting and moving their data into new data systems.

Performance Measure (C)(3)(d) Target Notes

For all targets that were not reached in the reporting year, please describe the State's strategies to ensure that measurable progress will be made in reaching the established targets by the end of the grant period.

For the data that are available for Year Three, all of the targets were met or exceeded with the exception of the percentage of 3-5 year olds with high needs who were screened (target 74%, actual 73%). This may be due to the fact that a large number of visits and screenings are connected with parents bringing in their children for immunizations, and recently more children being immunized elsewhere outside of these visits. Therefore, while the number of young children who are being immunized has not decreased, there has been a decrease in the number of visits which includes screenings, due to parents choosing to immunize their children elsewhere.

Engaging and Supporting Families (Section C(4) of Application)

Has the State made progress in:

Family Engagement	
Establishing a progression of culturally and linguistically appropriate standards for family engagement across the levels of your Program Standards	Yes
Including information on activities that enhance the capacity of families to support their children's education and development	Yes
Increasing the number and percentage of Early Childhood Educators trained and supported to implement the family engagement strategies	Yes
Promoting family support and engagement statewide, including by leveraging other existing resources	Yes

Describe the progress made during the reporting year. Please describe the State's strategies to ensure that measurable progress will be made in this area by the end of the grant period.

North Carolina made progress on engaging and supporting families during 2013 with the following RTT-ELC activities:

- The revised TQRIS may include a more robust set of family engagement standards, based in part on the Head Start Performance Standards.
- The NC Head Start State Collaboration Office is engaged in a statewide family engagement training/coaching initiative designed to build the capacities of early childhood educators in a range of settings (including private child care, local education agencies, religious-sponsored child care and military child care) to work with the families they serve to support their children's development. This initiative leverages the expertise of high quality Head Start and Early Head Start programs in the State to lead the training/coaching efforts. A well-coordinated information-sharing campaign is in place to disseminate news of available family engagement activities for early childhood programs in NC that includes direct mailings and press releases, and referrals by partners like Child Care Resource and Referral agencies and local Smart Start partnerships. Twenty-two Head Start/Early Head Start training hubs were initially selected in two phases to provide training on family engagement strategies, technical assistance, demonstration and coaching, and follow-up as needed to the early childhood workforce in ELD programs regulated by the State Child Care Administrative Agency. The training hubs are in varying stages of implementation. Eighteen of the original twenty two training hubs continue to operate, delivering training, coaching and follow-up as needed. Four have completed their scopes of work, and two others will complete theirs by February 2015. Professional Learning Community Technical Assistance Support meetings have continued throughout 2014 on a regional basis to provide support to the hubs and will continue to convene twice a year regionally.
- Many participating childcare providers are reporting changes in their practice as a result of the family engagement trainings that they are attending. Changes that providers reported in 2014 include:
 - Greater understanding among directors of the difference between “involvement” and “engagement” of parents.
 - Improved relationships with parents.

- Increase in parent interaction (in person at the center and through email), parent committees, and parent conferences.
- Creating strategic plans for Parent Engagement.
- Support for parents to know how to get involved in their children's development in the home environment.
- Use of parent goals and achievements as well as child progress to communicate to parents that they are their child's primary teacher.
- Improving the environment at the center to make it more inviting to families.
- Providers have become more knowledgeable about community resources, where to turn when parents need help.
- Greater ability to assist families to support children's transitions to Kindergarten.
- Revision of Parent and Employee Handbooks to include parent engagement statements and information on family engagement.
- Increase in family engagement activities including home visits, newsletters, center activities, a parent suggestions box, parent engagement opportunity surveys, and parent input into curriculum
- Improved work with bi-lingual families to create dual language signs in the classroom for families.

The Hubs still in operation have reached just over 22% of all licensed providers in the State (about 1,768 individual providers). The Hubs are on pace to reach 33% - 40 % of licensed providers by the end of the project. With the expectation that new family engagement standards will be included in the new TQRIS, work has begun to develop an on-line training for family engagement to make this information accessible and sustainable beyond the grant.

- Family Connects is a universal nurse home-visiting program for newborns and their families that is being implemented in the Transformation Zone through the NC Division of Public Health (DPH). Details about this activity and the progress made during 2014 are included in the previous section C-3: "Health Promotion".
- The NC Division of Public Health (DPH), with support from Triple P America, is building on its experience in counties currently implementing Triple P (Positive Parenting Program), to expand to include the Transformation Zone and additional counties in northeastern North Carolina. Triple P is a multi-level, evidence-based parenting and family support system designed to prevent or reduce the severity of behavioral, emotional, and developmental problems in children. DPH has developed a statewide Triple P Learning Collaborative that will allow 19 counties in Northeastern NC (including the Transformation Zone counties) to learn from and with current Triple P coordinators. The Triple P Implementation Specialist has worked to support implementation of Triple P in northeastern North Carolina. In the Transformation Zone counties, the National Implementation Research Network has also supported Triple P Implementation efforts with local county teams. During 2014, the eight county clusters began to provide services through local health departments. Local Triple P coordinators were hired and trained for all 19 counties and are providing support for the implementation of Triple P in the northeastern counties. The Triple P Stay Positive website was launched and print materials were distributed to sites. The Triple P Learning Collaborative meetings have continued through 2014, supporting sharing of lessons learned using the Triple P Implementation Framework, providing updates, evaluation results, and planning. A statewide Triple P data collection and reporting system was implemented in July 2014 to

provide detailed information about the statewide Triple P program. Two additional staff were hired to provide additional support to the northeastern counties.

- The North Carolina Partnership for Children (NCPC) is building the capacity of Transformation Zone counties to improve the literacy skills of young children by reaching out to families using the “Motherhead” and “Reach Out and Read” programs. During 2014, with the support of the National Implementation Research Network (NIRN) and using principles of implementation science, scale and implementation priority areas were established, installation plans and site selections were made and staggered implementation of Motherhead and Reach Out and Read continued throughout the year and is ongoing. Literacy Coordinators were hired in all four Transformation Zone Counties to support the installation of both Motherhead and Reach Out and Read and each county identified supports necessary to ensure that their Literacy Coordinator is successful. Future sustainability is supported through the planning and implementation process. Motherhead trainings were provided, including Motherhead/Fatheread, B.A.B.Y. and Story Exploring. Counties engaged in joint work around the development of Motherhead and Reach Out and Read written guidelines and logic models. Support for continued successful implementation are in place through collaboration with NIRN, through cross-county literacy purveyor calls, Smart Start Reach Out and Read monthly calls that includes the Transformation Zone county Literacy Coordinators, monthly check-ins and quarterly face to face meetings of the Literacy Coordinators with NCPC project staff. The Transformation Zone counties are using Story Exploring in a range of child care center classrooms, including Pre-K and Head Start. An evaluation plan for the project was developed and initial evaluation data is being collected and submitted.

Early Childhood Education Workforce

Supporting Early Childhood Educators in improving their knowledge, skills, and abilities (Section D(2) of Application)

Has the State made progress in improving the effectiveness and retention of Early Childhood Educators who work with Children with High Needs with the goal of improving child outcomes:

Supporting Early Childhood Educators	
Providing and expanding access to effective professional development opportunities that are aligned with your State's Workforce Knowledge and Competency Framework	Yes
Implementing policies and incentives that promote professional and career advancement along an articulated career pathway that is aligned to the Workforce Knowledge and Competency Framework, and that are designed to increase retention, including:	Yes
<i>Scholarships</i>	Yes
<i>Compensation and wage supplements</i>	Yes
<i>Tiered reimbursement rates</i>	Yes
<i>Other financial incentives</i>	Yes
<i>Management opportunities</i>	Yes
Publicly reporting aggregated data on Early Childhood Educator development, advancement, and retention	Yes
Setting ambitious yet achievable targets for:	Yes
<i>Increasing the number of postsecondary institutions and professional development providers with programs that are aligned to the Workforce Knowledge and Competency Framework and the number of Early Childhood Educators who receive credentials from postsecondary institutions and professional development providers that are aligned to the Workforce Knowledge and Competency Framework</i>	
<i>Increasing the number and percentage of Early Childhood Educators who are progressing to higher levels of credentials that align with the Workforce Knowledge and Competency Framework</i>	Yes

Describe the progress made during the reporting year. Please describe the State's strategies to ensure that measurable progress will be made in this area by the end of the grant period.

Progress made in 2014 on North Carolina's activities that support early childhood educators in improving their knowledge, skills, and abilities are briefly described below.

- A Master's Degree in Early Childhood Program Leadership and Management as an online degree through two universities in the state university system was established making this online opportunity available across the state throughout the state as a "next step" in the professional development pathway for early childhood professionals. Interest in the two programs has been unexpectedly high, students were enrolled during 2014 and more students will begin studies in 2015. Additional details are described in the section in Stakeholder Involvement - "Local Leadership Development".
- An annual Early Childhood Educator Statewide Workforce Study is being conducted of early childhood educator's education, compensation, and retention levels to better identify the strategies needed to improve child access to high quality ELD program. The 2013 and 2014 Workforce Studies were

completed and the full reports are posted on the NC ELC website (earlylearningchallenge.nc.gov/activities/workforce-study/). The project will continue with a 2015 workforce study.

- A course on Coaching, Mentoring, and Technical Assistance has been developed and field tested and delivery began January 2014. The success of this course led to a decision to develop a graduate-level three semester credit hour course titled “The Art and Science of Early Childhood Coaching, Mentoring and Technical Assistance”. Planning for the course development, graphic design work for the course and corresponding Trainer's Manual have begun.
- The course on “Choosing and Using Curriculum and Assessment” is now being offered statewide. Additional details can be found in Section C-2: Comprehensive Assessment Systems.
- The CCR&R System developed a framework for and rolled out training on facilitation of communities of practice for their technical assistance providers in 2013 which were utilized widely in 2014. The Community of Practice (COP) meetings continue to be held regularly with regional technical assistance and professional development providers and topic areas identified for future discussions.
- A Healthy Social Behavior (HSB) Specialist in the Transformation Zone is providing technical assistance and training the ELD programs to improve program capacity to support healthy social/emotional development of children in their care, using the teaching pyramid framework and strategies. Working with county implementation teams, the HSB Specialist recruited ELD programs to apply to participate in the project. Each county formed a cohort and is functioning as a community of practice, convening meetings to delve more deeply into various pyramid model-related topics, and providing coaching across programs. Pyramid Model training was provided and Teaching Pyramid Observation Tool (T-POT) observations conducted. The HSB Specialist provided technical assistance to classroom teachers and also worked with teachers on Ages and Stages Questionnaire - Social Emotional (ASQ-SE) screenings. The HSB Specialist continues to work with the National Implementation Research Network (NIRN), and each county Transformation Zone Implementation or Leadership Team to review project design, respond to questions or needs, and report classroom progress.
- Support for Birth-Kindergarten licensed teachers in non-public school, non-NC Pre-K settings is reaching an expanding number of teachers to support their teaching licensure process with mentoring and evaluation services. A total of 216 teachers are enrolled and receiving services. Professional development webinar sessions and on-site training were provided regularly and are ongoing. Mentoring and evaluation services were transitioned to two contracted state university hubs for efficiency and sustainability purposes. The services will be provided through the two universities starting in 2015.
- A Technical Assistance Endorsement is now established to provide professional recognition for the education and experience of those who provide technical assistance, coaching and mentoring for teachers and administrators in early childhood settings. The Technical Assistance Endorsement criteria was piloted and finalized. Statewide marketing of the Technical Assistance Endorsement continues and 87 endorsements have been issued.
- Reduced fees are offered for Early Educator Certification to encourage full participation in the system. A total of 15,873 Early Childhood Education professionals are certified, 1,839 certifications were granted in 2014 (1,171 new and 668 renewals). There has been an overall loss in the number of certifications

(8,702 for 2014) due to a loss in renewals. A grand total of 4,255 individuals have been certified through the grant (2,567 initial and 1,688 renewal). ECE professionals are not required by law or rule to be certified and this could be impacting the project's ability to recruit new applicants and retain those who hold current certification. Recruitment of new and renewal applicants continues, and the Division of Child Development and Early Education and the ELC management continue to meet to plan for future strategies.

- Grants are being offered to assist community colleges to achieve accreditation of their Early Childhood Associate Degree programs through the National Association for the Education of Young Children (NAEYC). All grantees are making progress preparing for and receiving site visits and completing their Self Studies. Twenty six community colleges have achieved NAEYC accreditation.
- A Community College Innovation Fund has been established to support innovative strategies that expand access and improve student success in early childhood associate degree programs. Grants were awarded and all grantees are making progress toward their goals, efforts to offer more online courses are in progress and enrollment in new cohort courses is increasing. One Community College is establishing a fully online cohort of students beginning in 2015. Another has established early literacy certificate courses which meet on Saturday mornings. The newest grant in this project, known as "Growing Greatness", involves a consortium of community college ECE program leaders and is designed to embed NC's Early Learning and Development Standards (ELDS), *North Carolina Foundations of Early Learning and Development*, into community college coursework across the system. The project held a successful kick off in October and is coordinating with the ELDS Professional Development team to establish objectives, agendas and dates for the Higher Education/Technical Assistance Institutes.
- WAGE\$ supplements are being offered in the Transformation Zone as well as the additional 13 counties initially eligible to apply for Transformation Zone status. WAGE\$ is an education based salary supplement designed to incentivize and reward teacher education and retention. Five hundred eighty seven (587) participants received ELC funds for completing commitment periods during the reporting period (January - December 2014). The project continues to collaborate with Smart Start Partnerships in participating counties, and Transformation Zone coaches. New spending projections were provided for all counties receiving ELC funds in order to assess the potential of a wait list.
- Enhanced T.E.A.C.H. Scholarships are being provided in the 17 counties that were eligible to apply for Transformation Zone status, as well as new scholarships for other members of the early childhood workforce statewide. A total of 14 students are participating in a new Infant Toddler program of study and related scholarship (NCFITC) for teachers working with children birth to 36 months of age. Two mentor stipends were awarded in 2014. Forty five T.E.A.C.H. recipients received the enhanced Transformation Zone scholarship in 2014. Thirteen Early Care and Education Community Specialist Scholarships have been awarded. Ninety-one scholarships have been awarded for the Master's Degree in Early Childhood Program Leadership and Management
- The Cultural Competence Support project is designed to increase the competency of the early childhood workforce to work with an increasingly diverse population of young children and families. 2014 began with a new coordinator for the project and ongoing collaboration with the CCR&R Council to keep them informed of progress with the project. Technical assistance providers from Smart Start and CCR&R were included in the project to promote sustainability and cross-sector opportunities curriculum delivery. Ongoing development of learning sessions, audio and video content pieces took place throughout the

year, and implementation of topical webinars. A review process occurred to assess progress and setting goals moving forward. The team presented at the NAEYC Professional Development Institute in June titled “Strengthening Cultural Competence in the Early Childhood Workforce: Learning from a collaborative approach to individual, program and systems level change”. The final group learning session was completed late in 2014, and shortly thereafter the CEU-bearing curriculum module was completed. Technical assistance providers used the *Early Childhood Cultural Competence Scan* and submitted results to a database for analysis and were certified to deliver the CEU module. Preliminary analysis on the project was completed, and the CCR&R agencies began planning for their 2015 delivery of the CEU-bearing curriculum module across the state. DCDEE management are currently considering implications of the project in terms of possible changes to the QRIS.

- The Early Childhood Directors Leadership Institute supports the leadership and program management skills of early learning program administrators and convened the first Institute in 2013, continuing with additional Institutes and supports in 2014. Additional detail about this activity is provided in the section Stakeholder Involvement - “Local Leadership Development”.

Performance Measure (D)(2)(d)(1)

In the tables below, indicate State progress toward meeting ambitious yet achievable targets for increasing the number of postsecondary institutions and professional development providers with programs that are aligned to the Workforce Knowledge and Competency Framework and the number of Early Childhood Educators who receive credentials from postsecondary institutions and professional development providers that are aligned to the Workforce Knowledge and Competency Framework.

Performance Measure (D)(2)(d)(1): Increasing the number of Early Childhood Educators receiving credentials from postsecondary institutions and professional development providers with programs that are aligned to the Workforce Knowledge and Competency Framework.

	Baseline	Targets				Actuals			
		Year 1	Year 2	Year 3	Year 4	Year 1	Year 2	Year 3	Year 4
Total number of "aligned" institutions and providers	79	79	79	79	79	79	79	79	
Total number of Early Childhood Educators credentialed by an "aligned" institution or provider	2,915	2,989	3,063	3,139	3,217	2,618	2,317	1,072	

Performance Measure (D)(2)(d)(1) Data Notes

Year 1 data for two-year institutions were from a survey conducted in 2011, as 2012 data were not yet available. For Year 2, data are from a survey done in 2012 as 2013 data were not yet available. Updated four-year institution data are not available. For the 2013 year, there was a large increase in the number of BK Licenses. This increase is a result of collaborative partnerships that have been created between the counties/regions and the Division for Child Development and Early Education (DCDEE). These collaborative partners in the counties/regions provide mentoring and evaluation services which increases the capacity of DCDEE to serve more teachers through leveraging local resources, while building those mentoring and evaluation skills in other ECE partner agencies such as Smart Start, school systems, and Head Start. The data from Year 3 are from Fiscal Year 13-14, and represent the total number of new and additional early childhood educators credentialed by an aligned institution.

Performance Measure (D)(2)(d)(1) Target Notes

For all targets that were not reached in the reporting year, please describe the State's strategies to ensure that measurable progress will be made in reaching the established targets by the end of the grant period.

The total number of early childhood educators who were credentialed receiving degrees, certificates, or diplomas from community colleges decreased in 2014. However, it should be noted that this number represents new, additional educators that were credentialed in 2014. Overall, as the economy has improved, there has been less turnover in the field with higher job retention. Therefore, previous students who are already credentialed are staying out in the field longer and community colleges have fewer students coming in and graduating.

Performance Measure (D)(2)(d)(2)

In the tables below, indicate State progress toward meeting ambitious yet achievable targets for increasing the number and percentage of Early Childhood Educators who are progressing to higher levels of credentials that align with the Workforce Knowledge and Competency Framework.

Performance Measure (D)(2)(d)(2): Increasing number and percentage of Early Childhood Educators who are progressing to higher levels of credentials that align with the Workforce Knowledge and Competency Framework.

Targets										
Progression of credentials (Aligned to Workforce Knowledge and Competency Framework)	Number and percentage of Early Childhood Educators who have moved up the progression of credentials, aligned to the Workforce Knowledge and Competency Framework, in the prior year									
Progression: High to Low	Baseline		Year 1		Year 2		Year 3		Year 4	
	#	%	#	%	#	%	#	%	#	%
BA/BS in Child Development or ECE with Birth-Kindergarten License	1,905	9.10%	2,033	9.30%	2,166	9.50%	2,342	9.80%	2,500	10.00%
BA/BS in Child Development or ECE	1,170	5.60%	1,290	5.90%	1,414	6.20%	1,554	6.50%	1,750	7.00%
BA/BS in non-ECE plus at least 6 ECE courses	472	2.20%	612	2.80%	798	3.50%	980	4.10%	1,250	5.00%
AAS in Early Childhood Education	4,568	21.70%	4,919	22.50%	5,312	23.30%	5,808	24.30%	6,250	25.00%
BA/BS in non-ECE plus 1-5 courses	1,255	6.00%	1,224	5.60%	1,186	5.20%	1,147	4.80%	1,125	4.50%
BA/BS in non-ECE and no ECE courses	497	2.40%	525	2.40%	524	2.30%	526	2.20%	500	2.00%
AA/AAS in non-ECE plus at least 1 ECE course	577	2.70%	568	2.60%	524	2.30%	526	2.20%	675	2.00%
AA/AAS in non-ECE and no ECE courses	174	0.80%	175	0.80%	160	0.70%	143	0.60%	125	0.50%
HS diploma plus at least 6 ECE courses	5,041	24.00%	5,246	24.00%	5,472	24.00%	5,784	24.20%	6,250	25.00%
HS diploma plus 1-5 ECE courses	4,680	22.30%	4,700	21.50%	4,742	20.80%	4,732	19.80%	4,750	19.00%
HS diploma with no ECE coursework	678	3.20%	568	2.60%	502	2.20%	359	1.50%	0	0.00%

Actuals										
Progression of credentials (Aligned to Workforce Knowledge and Competency Framework)	<i>Number and percentage of Early Childhood Educators who have moved up the progression of credentials, aligned to the Workforce Knowledge and Competency Framework, in the prior year</i>									
Progression: High to Low	Baseline		Year 1		Year 2		Year 3		Year 4	
	#	%	#	%	#	%	#	%	#	%
BA/BS in Child Development or ECE with Birth-Kindergarten License	1,905	9.10%			1,517	6.70%	1,376	6.60%		
BA/BS in Child Development or ECE	1,170	5.60%			1,243	5.50%	1,457	7.00%		
BA/BS in non-ECE plus at least 6 ECE courses	472	2.20%			483	2.10%	1,903	9.10%		
AAS in Early Childhood Education	4,568	21.70%			5,095	22.30%	4,439	21.30%		
BA/BS in non-ECE plus 1-5 courses	1,255	6.00%			3,127	13.70%	1,164	5.60%		
BA/BS in non-ECE and no ECE courses	497	2.40%			330	1.40%	272	1.30%		
AA/AAS in non-ECE plus at least 1 ECE course	577	2.70%			1,115	4.90%	843	4.00%		
AA/AAS in non-ECE and no ECE courses	174	0.80%			270	1.20%	134	0.60%		
HS diploma plus at least 6 ECE courses	5,041	24.00%					4,183	20.10%		
HS diploma plus 1-5 ECE courses	4,680	22.30%					4,220	20.30%		
HS diploma with no ECE coursework	678	3.20%			634	2.80%	788	3.80%		

Performance Measure (D)(2)(d)(2) Data Notes

Please describe the methodology used to collect the data, including any error or data quality information.

Baseline as well as target data for this table were from a not yet completed statewide workforce study and therefore some estimations were made. In addition, baseline and target data were based only on lead teachers and did not include data on other early childhood educators. A follow up statewide workforce study was done in 2012 that included lead teachers as well as assistant teachers, directors, and family childcare providers. Since the 2012 survey was not available for the 2012 APR report, data from the 2012 study are therefore reported in the Year Two (2013) column for this report, as data from the 2013 statewide workforce study are not yet available. In order to keep the data for Year Two consistent with previous years, but also provide additional information that is now available, two types of data are provided in the above table- numbers and percentages of lead teachers only, and of all early childhood educators. For Year Three, data were available from the 2014 statewide workforce survey so it should be noted that there is a two year range between data presented in Year Two and data presented in Year Three. The data are provided in the same way as Year Two to be consistent across years, reporting the number and percentage of lead teachers only as well as of all early childhood educators.

Anyone who holds a Master's degree or Ph.D. were counted as having a Bachelor's degree in the selected categories above.

In the 2012 statewide workforce study, two categories, HS diploma plus 6 or more courses and HS diploma plus 1-5 courses were combined and therefore not able to be broken out. Combined for 2012, 8987 teachers (and 15514 all ECEs) have a HS diploma and at least one course. These two categories were broken out for the 2014 statewide workforce study and therefore are reported in the table above.

Performance Measure (D)(2)(d)(2) Target Notes

For all targets that were not reached in the reporting year, please describe the State's strategies to ensure that measurable progress will be made in reaching the established targets by the end of the grant period.

For Table D2d2, when comparing the number and percentages of the workforce from Year Two to Year Three, there appear to be some larger increases and decreases in some of the categories. This is assumed to be a result of a change in how the statewide workforce study was conducted and analyzed this year. In previous years, there were not specific questions in the survey about the number of ECE courses taken. Instead the survey asked if the person had ever taken an ECE course and then used other questions to estimate which category the person would fall into (none, 1-5 courses, 6 or more). For the 2014 statewide workforce study, there were new questions added that asked about the number of ECE courses taken. In addition, it should be noted that for Year Two, the 2013 statewide workforce study data were not available at the time of the report, so there is actually a two year span in data between what was reported for Year Two and what was reported for Year Three in the table above. It should be noted that because these data are from a survey, they are limited by the sample surveyed and it is difficult to know in fact how representative the numbers are of the workforce. North Carolina is addressing this by building the workforce data system that will be able to more accurately capture these data.

Measuring Outcomes and Progress

Understanding the Status of Children’s Learning and Development at Kindergarten Entry (Section E(1) of Application)

Has the State made progress in developing a common, statewide Kindergarten Entry Assessment that:

Kindergarten Entry Assessment	
Is aligned with the State's Early Learning and Development Standards and covers all Essential Domains of School Readiness	Yes
Is valid, reliable, and appropriate for the target population and for the purpose for which it will be used, including for English learners and children with disabilities	Yes
Is administered beginning no later than the start of the school year in the third year of the grant to children entering a public school kindergarten (e.g., the 2014-2015 school year for Round 1 grantee states, the 2015-2016 school year for Round 2 grantees). States may propose a phased implementation plan that forms the basis for broader statewide implementation	Yes
Is reported to the Statewide Longitudinal Data System, and to the early learning data system, if it is separate from the Statewide Longitudinal Data System, as permitted under and consistent with the requirements of Federal, State, and local privacy laws	Yes
Is funded, in significant part, with Federal or State resources other than those available under this grant, (e.g., with funds available under section 6111 or 6112 of the ESEA)	Yes

Describe the domain coverage of the State’s Kindergarten Entry Assessment, validity and reliability efforts regarding the Kindergarten Entry Assessment, and timing of the administration of the Kindergarten Entry Assessment.

The revision of North Carolina's existing K-2 Assessment will expand the areas assessed in the early grades from two (reading and mathematics) to all developmental domains included in North Carolina's early learning and development standards and specified in the RTT-ELC's Essential Domains of School Readiness (approaches to play and learning, emotional and social development, health and physical development, language development and communication, and cognitive development). In addition, the use of the assessment will be extended into 3rd grade. This revision process will result in a K-3 Formative Assessment that includes a kindergarten entry assessment to be administered annually at the beginning of the kindergarten year. The NC State Board of Education has been apprised of the goals and outcomes of the K-3 Assessment Project, and has endorsed the principles outlined in the RTT-ELC application that will guide the development of the K-3 Formative Assessment. A video on the K-3 Assessment was developed to raise awareness of the tool and teachers' experiences using it. It can be found on the NC RTT-ELC website at <http://earlylearningchallenge.nc.gov/activities/k-3-formative-assessment/> under “Learn More”.

Evaluating the validity of the K-3 Formative Assessment, including the kindergarten entry assessment, requires developing a set of claims that, if met by empirical evidence, support the validity of interpretations. The project's theory of action articulates that assessments mapped to learning progressions and paired with effective professional development will lead to the following outcomes:

- Improve teacher outcomes by enhancing teachers' clarity about learning development and goals, understanding of the evidence that demonstrates student learning/needs, and abilities to provide effective feedback.
- Improve student outcomes by enhancing students' clarity about learning goals, awareness of learning performance, responses to feedback, and feelings of success.

The claims are undergoing a validation process designed to compile evidence that substantiates these claims. The validation process includes a series of reviews for all components of the assessment, including learning progressions, performance descriptors, and assessment tasks. Reviewers include a panel of experts, as well as teachers from Kindergarten through 3rd grade. In addition to content validation, pilot testing contributes validity evidence by examining the feasibility and utility of the assessment to teachers for instructional planning. Pilot testing has been completed for the Kindergarten portion of the K-3 Assessment, the Kindergarten Entry Assessment, and will continue for the remainder of the K-3 assessment to ensure validity and reliability.

Legislation was passed in 2012 mandating the Kindergarten Entry Assessment be launched beginning in the fall of 2014. A phase-in process is planned, providing support and assistance to a set of counties, and using lessons learned from that process for a statewide implementation, which is set to begin in the fall of 2015.

As North Carolina begins its phased-in implementation of the K-3 Formative Assessment, it is also working collaboratively with a consortium of nine states to enhance its assessment materials to be applicable to a variety of state contexts. Similar to NC's validation process, the enhanced assessment materials will undergo a validation process that involves expert review, Cognitive Labs with teachers, piloting, and field testing with a select group of consortium states.

Describe the progress made during the reporting year. Please describe the State's strategies to ensure that measurable progress will be made in this area by the end of the grant period.

During 2014, the Office of Early Learning in the NC Department of Public Instruction (NCDPI) has continued to work with the Think Tank of scientists, researchers, and practitioners to develop claims, supported by research, about what is essential for children to know and be able to do in kindergarten through third grade. The Assessment Design Team has continued to meet regularly, deconstructing the Think Tank claims (broad statements of what children should know and be able to do) to identify individual constructs, creating Learning Progressions for each of the constructs, and developing performance descriptors for each step on the learning progressions. Careful consideration is being given to validity and reliability throughout the development process. An Implementation Design Team was established and includes state, regional and local representatives with a combination of content, professional development, and education expertise, and work groups were established with specific implementation tasks. The Local Education Advisory (LEA) Team was established to provide ongoing feedback on the K-3 Formative Assessment to ensure development and implementation success. The K-3 Formative Assessment Consultants have joined efforts with Regional Implementation Team contractors to build stronger technical assistance supports to LEA District Implementation Teams.

Teacher Focus Groups were completed with the purpose of reviewing the learning progressions with an emphasis on teachers determining if they see their children progressing in a manner similar the Assessment Design Team learning progressions. Nineteen family focus group sessions were held across the state to gather input to develop a family focus information report. RTT-ELC Office of Early Learning staff has consulted with NCDPI consultants from other program areas, including Curriculum and Instruction, Exceptional Children, K-3 Literacy, The Arts, and English as a Second Language, and included them on work groups as content specialists and expert reviewers for learning progressions.

Two "livebinder" professional development modules were completed. Content areas are the Five Domains of Development and Developmentally Appropriate Practices.

The K-3 Formative Assessment Consultants continued strengthening relationships and collaborations, ensuring successful feedback loops and ensuring success of the Kindergarten Entry Assessment (KEA). The K-3 Formative Assessment Consultants along with the K-3 Assessment Team and Teaching Strategies also piloted the KEA professional development across the state in eight regions.

To broadly communicate to the field about the K-3 Formative Assessment development and implementation process, webinars, conference presentations, and regional meetings via project consultants were held and are ongoing, as well as publication of briefs, wiki's, newsletters, live binders, and video about NC's K-3 Formative Assessment. Statewide implementation is set to begin in fall of 2015.

Early Learning Data Systems (Section E(2) of Application)

Has the State made progress in enhancing its existing Statewide Longitudinal Data System or building or enhancing a separate, coordinated, early learning data system that aligns and is interoperable with the Statewide Longitudinal Data System and that:

Early Learning Data Systems	
Has all of the Essential Data Elements	Yes
Enables uniform data collection and easy entry of the Essential Data Elements by Participating State Agencies and Participating Programs	Yes
Facilitates the exchange of data among Participating State Agencies by using standard data structures, data formats, and data definitions such as Common Education Data Standards to ensure interoperability among the various levels and types of data	Yes
Generates information that is timely, relevant, accessible, and easy for Early Learning and Development Programs and Early Childhood Educators to use for continuous improvement and decision making	Yes
Meets the Data System Oversight Requirements and complies with the requirements of Federal, State, and local privacy laws	Yes

Describe the progress made during the reporting year, including the State's progress in building or enhancing a separate early learning data system that aligns with and is interoperable with the Statewide Longitudinal Data System and that meets the criteria described above. Describe the State's strategies to ensure that measurable progress will be made in this area by the end of the grant period.

NC Early Childhood Integrated Data System (NC ECIDS)

NC is building an Early Childhood Integrated Data System (NC ECIDS) that will be interoperable with NC's Statewide Longitudinal Data System. In 2014, NC has continued to develop the NC ECIDS application. The NC ECIDS Governance Council which consists of two committees, Executive Committee and Program management Committee, was established. Both committees started meeting on a regular basis to set policies for NC ECIDS and develop an ongoing maintenance and decision-making process. A NC ECIDS Governance Manual was developed. A Memorandum of Agreement, which includes a data sharing agreement between all participating agencies was drafted and is under final internal review at the secretary's office at NC Department of Health and Human Services (DHHS). A Data Use Agreement (DUA) which will be required for everyone who is requesting data from NC ECIDS, was drafted and has been reviewed by both the contracts and compliance personnel at DHHS as well as the Program Management Committee. The business requirements and work flows for the NC ECIDS application were completed and will be used to develop the system. Key responsibilities and roles for the NC ECIDS business staff were identified to help outline the ongoing personnel needs of the system after the grant ends.

The foundation of NC ECIDS is dependent on the assignment of unique identifiers (UIDs) for each child in the system, which will allow information to be linked across agencies and programs for an individual child, and provide unduplicated counts of where children are being served. Work has continued on the development of the UID's which will allow information to be linked across agencies and programs for an individual child. The contracting process is in final stages with eScholar, which is the software that produces the UID's. Estimates were

made for the number of UIDs needed for the system based on estimates of the number of children in each participating program and taking into account potential duplications. NC ECIDS will be using the same UID software as the P-20W system so that the systems can easily be linked and aligned once they are connected.

The NC Office of Information Technology Services (NC OITS), which is responsible for building the NC ECIDS application, has acquired all of the software needed for the application, has hired all of its necessary personnel for the project, and the staff have started attending some of the eighteen trainings necessary to build the application and understand the software. The NC OITS has also started to engage the Information Technology (IT) staff from all of the participating programs and agencies to help them prepare their data systems to be linked with the NC ECIDS application. A request for Common Education Data Standards (CEDDS) mapping support from the federal State Support Team has been sent.

The NC ECIDS management and OITS staff continue to participate as members of NC's Pre-K to Age 20/Workforce (P-20W) Council, which is building a P-20W longitudinal data system, as both a participating member of the Council as well as to ensure that once NC ECIDS is built, the two systems will be able to be aligned and coordinated.

Smart Start Data Project

The Smart Start Data Project will enable the North Carolina Partnership for Children (NCPC) to provide resources necessary for 76 Smart Start local partnerships to collect and provide data to a unified system that will link to the ECIDS. In 2014, The Data Advisory Group (DAG) developed common outcomes for the Smart Start System. The Request for Application process was developed and issued for local partnerships to apply for funding to support their efforts to collect, measure, report, and use programmatic data, particularly related to Smart Start common outcomes. Applications were reviewed and the mini grant project was launched. The Data Advisory Group (DAG) has identified CLASS (Classroom Assessment Scoring System) as a gold standard measure for teacher child interaction. The DAG hosted a meeting to encourage more Smart Start partnerships to use the CLASS. Over 70 people attended. Follow up materials were distributed and next steps planned. In addition, the DAG identified KIPS (Keys to Interactive Parenting Scale) as a gold standard measure for parent and child interaction. The DAG hosted a training on KIPS in 2014. NCPC also began working with Data Keeper Technologies to discuss modifications to the Visit Tracker system. Visit Tracker includes child and family level data for those participating in Parents as Teachers, an initiative widely supported by Smart Start local partnerships. Steps are being formulated for linking Visit Tracker data with the NC Early Childhood Integrated Data System (NC ECIDS).

Workforce Data Project

The goal of the Child Care Workforce Data Project is to establish an improved early childhood workforce data system that will replace the current DCDEE workforce software application, interface with existing systems, create an on-line portal for providers and link to the ECIDS. In 2014, work flow diagrams were developed and revised for DCDEE unit business processes and projected budget/cost savings of proposed system were developed. Project staff received training on and entered information into the required project management tool in order to meet necessary DHHS IT project documentation standards. Project staff also collaborated within the DCDEE to obtain system documentation, hardware setups and diagrams, discuss inclusion of data from the Regulatory unit, and a preliminary quote from ITS was received around planned hardware procurement cost. Conversations were also held with Data Warehouse around future system interface, with NC Department of Public Instruction around incorporation of Unique Identifying Number in use by K-12 teachers and with the Department of Commerce around the development of North Carolina's Tool for Online Workforce and Education

Reporting (NC TOWER) tool. In addition, staff attended regular meetings with the DHHS Project Management Office, Division of Information Resource Management and Office of Procurement for project monitoring and guidance around development of the Request for Proposal. Project staff worked for six months with internal stakeholders to capture business requirements covering all desired functions of the proposed system and drafted a 120 page RFP document. Comments and suggestions from external partners and an internal RFP Review Committee were incorporated into the document over a period of two months. A final RFP was submitted to the Office of Procurement in October. By December, with the state's IT project review process causing significant delays, a decision was made to set aside the RFP and explore existing state systems, similar in function to the proposed workforce system, that could be modified and implemented by the end of the grant period. A series of demos and exploratory meetings with state agencies and the community college system were held towards the end of December. Demos to date have been promising and DCDEE is confident that moving towards an existing application or off-the-shelf product will allow project to secure deliverables and meet proposed deadlines. Business requirements developed for the RFP will be used to judge best match of existing systems and a new path forward should be finalized by the middle of February.

Data Tables

Commitment to early learning and development

In the tables that follow, provide updated data on the State's commitment to early learning and development as demonstrated in Section A(1) of the State's RTT-ELC application. Tables A(1) -1 through 3 should be updated with current data. Tables 4 and 5 should provide data for the reporting year as well as previous years of the grant. Tables 6 and 7 may be updated only where significant changes have occurred (if no changes have occurred, you should note that fact).

Table (A)(1)-1: Children from Low-Income families, by age

Table (A)(1)-1: Children from Low-Income ¹ families, by age		
	Number of children from Low-Income families in the State	Children from Low-Income families as a percentage of all children in the State
Infants under age 1	48,285	59.6%
Toddlers ages 1 through 2	162,808	55.9%
Preschoolers ages 3 to kindergarten entry	194,100	50.3%
Total number of children, birth to kindergarten entry, from low-income families	405,193	53.4%

¹ Low-Income is defined as having an income of up to 200% of the Federal poverty rate.

Data Table (A)(1)-1 Data Notes

Indicate the data source and clarify or explain any of these data if needed.

Data source: U.S. Census Bureau's Current Population Survey & State Center for Health Statistics, NC, Annual Social and Economic Supplements (ASEC) estimates for 2014. Available at:

<http://www.census.gov/cps/data/cpstablecreator.html> According to ACS estimates, the total population of NC children ages 0-5 was 758,511 in 2014.

Table (A)(1)-2: Special Populations of Children with High Needs

Table (A)(1)-2: Special Populations of Children with High Needs		
Special Populations: Children who...	Number of children (from birth to kindergarten entry) in the State who...	Percentage of children (from birth to kindergarten entry) in the State who...
Have disabilities or developmental delays ¹	22,377	3.0%
Are English learners ²	80,842	10.9%
Reside on "Indian Lands"	55,029	7.4%
Are migrant ³	1,365	0.2%
Are homeless ⁴	7,811	1.0%
Are in foster care	5,816	0.8%
Other as identified by the State	49,423	6.7%
Describe:	Military children (43,187 children of active duty families; 6,236 children of Guard and Reserve families). Data from the 2012 provided as 2013 data are not yet available.	
¹ For purposes of this Annual Performance Report, children with disabilities or developmental delays are defined as children birth through kindergarten entry that have an Individual Family Service Plan (IFSP) or an Individual Education Plan (IEP). ² For purposes of this Annual Performance Report, children who are English learners are children birth through kindergarten entry who have home languages other than English. ³ For purposes of this Annual Performance Report, children who are migrant are children birth through kindergarten entry who meet the definition of "migratory child" in ESEA section 1309(2). ⁴ The term "homeless children" has the meaning given the term "homeless children and youths" in section 725(2) of the McKinney-Vento Homeless Assistance Act (425 U.S.C. 11434a(2)).		

Data Table (A)(1)-2 Data Notes

Indicate the data source and clarify or explain any of these data if needed.

Data source for ISFP and IEP data are from the December 1, 2014 Headcount Data. For the Part C Program, as of Dec. 1 2014 10,010 infants and toddlers with or at established risk for developmental disabilities or delays had an IFSP. Infants and toddlers enter and exit the program at differing times across the fiscal year.

Data source for English Language Learners: American Community Survey (2009-2013) estimates applied to 2013 bridged population estimates from the Census Bureau and the National Center for Health Statistics. Data for 2014 is not yet available.

Data source for residing on "Indian Lands": American Community Survey (2009-2013) estimates of children *under age 5* residing on Indian lands applied to 2013 bridged population estimates for ages 0 through 5 from the Census Bureau and the National Center for Health Statistics. Data for 2014 is not yet available. Note: Of this total, an estimated 893 were Cherokee children ages 0 through 5 who resided on federally designated Indian land.

Data source for migrant children: Program Monitoring Section, Department of Public Instruction (2012-2013 school year). Data for 2014 were not available at the time of this report.

Data source for children who are homeless:

http://www.homelesschildrenamerica.org/pdf/report_cards/short/nc_short.pdf. This is the most recent report from June 2007, and it is estimated that this number has increased over the last four years. Since this report, data are no longer available that are broken down by age, so the best estimate remains from June 2007.

Data source for children in foster care: Management Assistance for Child Welfare, Work First & Food & Nutrition Services Website- URL: <http://ssw.unc.edu/ma/> (October 2013- September, 2014).

Data for military children are from the 2012 year as updated data were not available by the deadline for this report.

Table (A)(1)-3a: Participation of Children with High Needs in different types of Early Learning and Development Programs, by age

Note: A grand total is not included in this table since some children participate in multiple Early Learning and Development programs.

Table (A)(1)-3a: Number of Children with High Needs participating in each type of Early Learning and Development Program, by age				
Type of Early Learning & Development Program	Infants under age 1	Toddlers ages 1 through 2	Preschoolers ages 3 until kindergarten entry	Total
State-funded preschool	-	-	26,851	26,851
Specify:	NC Pre-K Program			
Data Source and Year:				
Early Head Start & Head Start¹	1,232	3,632	20,654	25,518
Data Source and Year:	Head Start Program Information Report (PIR) 2013-2014			
Programs funded by IDEA, Part C and Part B, section 619	1,358	8,652	12,367	22,377
Data Source and Year:				
Programs funded under Title I of ESEA	-	-	10,333	10,333
Data Source and Year:				
Programs receiving funds from the State's CCDF program	11,836	41,519	57,857	111,212
Data Source and Year:				

¹ Including Migrant and Tribal Head Start located in the State.

Data Table (A)(1)-3a Data Notes

Enter text here to clarify or explain any of these data if needed.

For programs receiving funds from the State's CCDF program, facility payments are a mix of state/federal funds. CCDF and TANF funds transfer into CCDF, and state funds used for CCDF match and MOE are a large portion of these blended funds. The data in the table above are not unduplicated counts as children can be counted in multiple groups. For example one month a child could be captured in the under age 1 group, but the next month could have a birthday and would now be in the toddler group. Additionally, the numbers provided in this table for CCDF represent the annual count of children receiving funds. This number is higher than the total count of children in Table B4c2, which is the total count at a specific point in time. Since children can come and go in the program, the annual count represents all children who within a year have gone in and out of CCDF.

For Head Start and Early Head Start programs, the numbers in the table above reflect the cumulative total number of children who were served in the year. Therefore, if a funded slot opens up during the year if a child has moved or dropped out of the program, than an additional child is added. So this number is larger than the total number of funded slots, 22,869 for the year.

Table (A)(1)-3b: Participation of Children in Early Learning and Development Programs in the State, by Race/Ethnicity

Note: Totals are not included in this table since some children participate in multiple Early Learning and Development programs.

Table (A)(1)-3b: Number of Children							
Type of Early Learning & Development Program	Hispanic Children	Non-Hispanic American Indian or Alaska Native Children	Non-Hispanic Asian Children	Non-Hispanic Black or African American Children	Non-Hispanic Native Hawaiian or Other Pacific Islander Children	Non-Hispanic Children of Two or more races	Non-Hispanic White Children
State-funded preschool	6,893	2,397	895	11,265	614		14,218
Specify:	State-funded Preschool						
Early Head Start & Head Start¹	8,331	860	218	12,312	32	2,723	7,153
Early Learning and Development Programs funded by IDEA, Part C	1,544	118	189	2,677	8	212	5,262
Early Learning and Development Programs funded by IDEA, Part B, section 619							
Early Learning and Development Programs funded under Title I of ESEA							
Early Learning and Development Programs receiving funds from the State's CCDF program	1,098	1,582	377	52,155	10		32,002

¹ Including Migrant and Tribal Head Start located in the State.

Data Table (A)(1)-3b Data Notes

Enter text here to clarify or explain any of these data if needed.

For state-funded preschool (NC Pre-K): NC Pre-K data were available by Hispanic/Non-Hispanic and by race, but may be counted more than one time if a child is Hispanic as well as another race.

For Head Start and Early Head Start: Head Start race/ethnic data are only reported out based on cumulative totals, which is a record of all children served including those who may have been served for partial years, dropped out, and then replaced by a new child.

For IDEA Part B, 619 programs and Title I of ESEA programs: Race/ethnicity data for children participating in the programs are not available.

For CCDF data: In the Subsidized Child Care Reimbursement Program, Hispanic is an ethnicity, not a race. If Hispanic is chosen as the ethnicity, than a race has to be chosen as well.

Table (A)(1)-4: Data on funding for Early Learning and Development

Note: For States that have a biennial State budget, please complete for all fiscal years for which State funds have been appropriated. We are not asking for forecasting, but for actual allocations. Therefore, States that do not have biennial budgets need not complete for years for which appropriations do not yet exist.

Table (A)(1)-4: Funding for each Fiscal Year					
Type of investment	Baseline	Year 1	Year 2	Year 3	Year 4
Supplemental State spending on Early Head Start & Head Start¹					
State-funded preschool	\$128,567,170	\$136,131,403	\$146,677,519	\$137,663,376	
Specify:	NC Pre-K				
State contributions to IDEA, Part C	\$34,756,653	\$26,928,108	\$22,734,298	\$21,116,957	
State contributions for special education and related services for children with disabilities, ages 3 through kindergarten entry	\$50,136,492	\$43,469,505	\$57,117,000	\$54,452,017	
Total State contributions to CCDF²	\$66,714,075	\$63,443,423	\$65,831,832	\$63,469,547	
State match to CCDF Exceeded / Met / Not Met	Met	Met	Met	Met	\$0
<i>If exceeded, indicate amount by which match was exceeded</i>					
TANF spending on Early Learning and Development Programs³	\$162,703,098	\$148,552,149	\$140,300,156	\$144,897,223	
Other State contributions 1	\$21,332,183	\$24,841,731	\$22,032,186	\$21,562,570	
Specify:	Developmental Day, Early Learning Sensory Support/Visually Impaired, Early Learning Sensory Support/Hearing Impaired				
Other State contributions 2	\$48,196,046	\$39,547,346	\$36,637,007	\$35,015,104	
Specify:	Smart Start Subsidy through DCD system				
Other State contributions 3	\$11,315,223	\$10,105,417	\$10,728,420	\$10,016,851	
Specify:	Dual subsidy expenditures				
Other State contributions 4	\$26,859,847	\$20,686,818	\$22,319,717	\$23,569,059	
Specify:	Children not eligible for CCDF – i.e. CPS, child welfare				
Other State contributions 5	\$70,785,241	\$55,135,843	\$52,455,430	\$55,211,820	
Specify:	Additional Smart Start Initiatives				
Other State contributions 6	\$22,981,570	\$16,963,180	\$18,486,324	\$17,617,526	
Specify:	Family Support Services including Home Visiting, Group Parent Education & Literacy Programs				
Total State contributions:	\$644,347,598	\$585,804,923	\$595,319,889	\$584,592,050	

¹ Including children participating in Migrant Head Start Programs and Tribal Head Start Programs.

² Total State contributions to CCDF must include Maintenance of Effort (MOE), State Match, and any State contributions exceeding State MOE or Match.

³ Include TANF transfers to CCDF as well as direct TANF spending on Early Learning and Development Programs.

Data Table (A)(1)-4 Data Notes

Enter text here to indicate data source and clarify or explain any of these data, including the State's fiscal year end date.

For Head Start and Early Head Start: There is no state supplemental spending for Early Head Start and Head Start, aside for state pre-K funds that are used to enhance standards of pre-K programs located in Head Start classrooms. Those funds are already included in the state-funded preschool funding amounts above.

For State-funded preschool: North Carolina's state-funded preschool program, NC Pre-K, was formally called More at Four prior to 2011. During the 2009-2010 fiscal years, TANF and ARRA funds were used in place of some state-funded preschool funds to fund the state-funded preschool program. These TANF and ARRA funds are listed instead in the TANF section of this chart and combined with the TANF dollars for child care subsidies, which is why the TANF dollars are higher for the baseline numbers. The state fiscal year 2012 state-funded preschool amount includes \$9 million in expansion funds, some of which are carried forward because some services continued into the SFY 2013.

For children not eligible for CCDF-- i.e., CPS, child welfare: This amount includes state funds spent to match IV-E foster care funds for Year 3.

For the 2014 year, the Governor Morehead School program was renamed Early Learning Sensory Support/Visually Impaired, and the Deaf and Hard of Hearing program was renamed Early Learning Sensory Support/Hearing Impaired.

For Additional Smart Start Initiatives: Data source is Smart Start actual expenditures for fiscal year ending June 30. Additional Smart Start Initiatives include: Quality Support and Improvement Services, Childcare Workforce Development including Salary Supplements, Enhanced Early Intervention Services, and Health Services including Health Access and Support, and Prenatal and Newborn Services.

During 2014, there was a reduction in State support for IDEA as well as for state-funded pre-k, although pre-k funding was still at an increased funding level compared to the baseline. For the North Carolina Infant Toddler Program (IDEA Part C), the program has experienced state funding reductions based upon legislative mandates from the NC General Assembly. There was an increase in TANF spending in 2014, although spending remains lower than in the baseline year. This is due to the fact that in the 2009-2010 fiscal year, TANF and ARRA funds were used in place of some state-funded preschool funds to fund the state-funded preschool program. These TANF and ARRA funds are listed instead in the TANF section of this chart and combined with the TANF dollars for child care subsidies, which is why the TANF dollars are higher for the baseline numbers. IDEA Part B also decreased in funding as a result of a decrease in the December 1 Headcount numbers.

Table (A)(1)-5: Historical data on the participation of Children with High Needs in Early Learning and Development Programs in the State

Note: Totals are not included in this table since some children participate in multiple Early Learning and Development programs. However, the current year should match the program totals reported in Table (A)(1)-3a.

Table (A)(1)-5: Total number of Children with High Needs participating in each type of Early Learning and Development Program¹				
Type of Early Learning and Development Program	Baseline	Year 1	Year 2	Year 3
State-funded preschool <i>(annual census count; e.g., October 1 count)</i>	24,757	27,531	28,986	26,851
Specify: State-funded Preschool				
Early Head Start and Head Start² <i>(funded enrollment)</i>	24,291	24,291	24,970	22,869
Programs and services funded by IDEA Part C and Part B, section 619 <i>(annual December 1 count)</i>	9,842	10,206	10,190	10,010
Programs funded under Title I of ESEA <i>(total number of children who receive Title I services annually, as reported in the Consolidated State Performance Report)</i>	24,369	23,459	22,661	22,700
Programs receiving CCDF funds <i>(average monthly served)</i>	98,814	73,766	65,753	79,030
¹ Include all Children with High Needs served with both Federal dollars and State supplemental dollars.				
² Including children participating in Migrant Head Start Programs and Tribal Head Start Programs.				

Data Table (A)(1)-5 Data Notes

Enter text here to indicate data source and clarify or explain any of these data if needed. Include current year if data are available.

Table (A)(1)-6: Current status of the State's Early Learning and Development Standards

Check marks indicate the State's Early Learning and Development Standards address the different age groups by Essential Domain of School Readiness.

Table (A)(1)-6: Current status of the State's Early Learning and Development Standards			
Essential Domains of School Readiness	Age Groups		
	Infants	Toddlers	Preschoolers
Language and literacy development	✓	✓	✓
Cognition and general knowledge (including early math and early scientific development)	✓	✓	✓
Approaches toward learning	✓	✓	✓
Physical well-being and motor development	✓	✓	✓
Social and emotional development	✓	✓	✓

Data Table (A)(1)-6 Data Notes

Enter text to explain or clarify information as needed.

There are no changes to this table for Year 3.

North Carolina's Foundations for Early Learning and Development address all five of the Essential Domains of School Readiness. Originally published in 2008 and 2005 respectively as two separate documents, Infant/Toddler Foundations and Preschool Foundations, the *Foundations* were revised in 2013 to ensure alignment with the Common Core Standards for Kindergarten and the Head Start Child Development and Early Learning Framework and to reflect recommendations and reports such as the National Early Literacy Panel and the National Research Council's Committee on Early Childhood Mathematics.

Table (A)(1)-7: Elements of a Comprehensive Assessment System currently required within the State

Check marks indicate where an element of a Comprehensive Assessment System is currently required.

Table (A)(1)-7: Elements of a Comprehensive Assessment System currently required within the State					
Types of programs or systems	Elements of a Comprehensive Assessment System				
	Screening Measures	Formative Assessments	Measures of Environmental Quality	Measures of the Quality of Adult-Child Interactions	Other
State-funded preschool	✓	✓	✓	✓	✓
Specify:	NC Pre-K				
Early Head Start & Head Start ¹	✓	✓	✓	✓	✓
Programs funded by IDEA, Part C		✓			
Programs funded by IDEA, Part B, section 619	✓	✓	✓	✓	
Programs funded under Title I of ESEA	✓	✓	✓	✓	
Programs receiving CCDF funds			✓		
Current Quality Rating and Improvement System requirements (Specify by tier)			✓	✓	
Tier 1					
Tier 2					
Tier 3					
Tier 4					
Tier 5					
State licensing requirements			✓	✓	

¹ Including Migrant and Tribal Head Start located in the State.

Data Table (A)(1)-7 Data Notes

Enter text here to clarify or explain any of the data, if necessary.

There are no changes to this table for Year 3.

For the state preschool program, other elements include an on-going external evaluation of program quality and child outcomes.

For Early Head Start and Head Start, all Comprehensive Assessments are required by the federal government, not the State. Another element of the comprehensive assessment system is a Triennial Review which includes a range of factors and services for all Early Head Start and Head Start programs.

IDEA Part C formative assessments include child outcomes data.

In IDEA Part B, 619, children must have screening and comprehensive evaluations to be eligible for the program. Once in the program, certified teachers must conduct on-going assessments in order to complete the Child Outcome Summary Form rating. This rating is completed at least two times (upon program entry and exit) and

the child's overall developmental trajectory is charted and reported in the state performance plan and annual report. Each certified teacher is evaluated via the NC teacher evaluation instrument which targets environmental quality and adult-child interactions.

For the screening measures elements, eligibility for Title I Pre-K must be determined on the basis of multiple, educationally relevant, objective criteria such as teacher judgment, interviews with parents, and developmentally appropriate measures of child development. Developmentally appropriate measures are those which screen multiple developmental domains. The NC DPI has identified four instruments as appropriate for determining risk. The formative assessments, Measures of Environmental Quality, and Measures of the Quality of Adult-Child Interactions indicate the requirements as Title I programs are required to have certified teachers. These certified teachers utilize the NC Teacher Evaluation Instrument, which addresses these areas.

As of the 2011 legislative session, only programs that have received 3 or more stars will be eligible to receive CCDF funds. This change is in the process of being implemented. North Carolina's TQRIS is integrated in to our state licensing system.

For measures of environmental quality, to earn 3 to 7 points on the 1 to 7 point scale for the program standards component of the NC TQRIS, an Environmental Rating Scale (ERS) is required. For measures of the quality of adult-child interactions, the ERS is used which has some items about adult-child interactions.

Budget and Expenditure Tables

Budget and Expenditure Table 1: Overall Budget and Expenditure Summary by Budget Category

Report your actual budget expenditures for the entire previous budget period and for the current reporting period.

Budget Summary Table

Budget Summary Table					
Budget Categories	Grant Year 1 (a)	Grant Year 2 (b)	Grant Year 3 (c)	Grant Year 4 (d)	Total (e)
1. Personnel	\$161,822.74	\$841,679.19	\$1,057,239.49	\$0.00	\$2,060,741.42
2. Fringe Benefits	\$27,794.87	\$245,187.39	\$281,478.17	\$0.00	\$554,460.43
3. Travel	\$3,462.60	\$138,725.31	\$91,272.34	\$0.00	\$233,460.25
4. Equipment	\$14,352.90	\$12,844.41	\$1,040.35	\$0.00	\$28,237.66
5. Supplies	\$1,147.14	\$5,032.98	\$2,189.18	\$0.00	\$8,369.30
6. Contractual	\$284,864.01	\$6,958,391.18	\$14,962,655.88	\$0.00	\$22,205,911.07
7. Training Stipends	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
8. Other	\$776.72	\$63,404.62	\$17,791.08	\$0.00	\$81,972.42
9. Total Direct Costs (add lines 1-8)	\$494,220.98	\$8,265,265.08	\$16,413,666.49	\$0.00	\$25,173,152.55
10. Indirect Costs	\$0.00	\$5,060.06	\$103,148.78	\$0.00	\$108,208.84
11. Funds to be distributed to localities, Early Learning Intermediary Organizations, Participating Programs and other partners	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
12. Funds set aside for participation in grantee technical assistance	\$3,241.19	\$15,428.30	\$58,182.16	\$0.00	\$76,851.65
13. Total Grant Funds Requested (add lines 9-12)	\$497,462.17	\$8,285,753.44	\$16,574,997.43	\$0.00	\$25,358,213.04
14. Funds from other sources used to support the State Plan	\$3,455,432.00	\$3,480,802.00	\$3,132,475.00	\$0.00	\$10,068,709.00
15. Total Statewide Budget (add lines 13-14)	\$3,952,894.17	\$11,766,555.44	\$19,707,472.43	\$0.00	\$35,426,922.04

Columns (a) through (d): For each grant year for which funding is requested, show the total amount requested for each applicable budget category. Column (e): Show the total amount requested for all grant years.

Line 6: Show the amount of funds allocated through contracts with vendors for products to be acquired and/or professional services to be provided. A State may apply its indirect cost rate only against the first \$25,000 of each contract included in line 6.

Line 10: If the State plans to request reimbursement for indirect costs, complete the Indirect Cost Information form at the end of this Budget section. Note that indirect costs are not allocated to line 11.

Line 11: Show the amount of funds to be distributed to localities, Early Learning Intermediary Organizations, Participating Programs, and other partners through MOUs, interagency agreements, contracts, or other mechanisms authorized by State procurement laws. States are not required to provide budgets for how the localities, Early Learning Intermediary Organizations, Participating Programs, and other partners will use these funds. However, the Departments expect that, as part of the administration and oversight of the grant, States will monitor and track all expenditures to ensure that localities, Early Learning Intermediary Organizations, Participating Programs, and other partners spend these funds in accordance with the State Plan.

Line 12: The State must set aside \$400,000 from its grant funds for the purpose of participating in RTT–ELC grantee technical assistance activities facilitated by ED or HHS. This is primarily to be used for travel and may be allocated to Participating State Agencies evenly across the four years of the grant.

Line 13: This is the total funding requested under this grant.

Line 14: Show total funding from other sources (including Federal, State, private, or local) being used to support the State Plan and describe these funding sources in the budget narrative.

Budget Summary Table Narrative

Please provide a brief explanation of any discrepancies between the State's approved budget and its total expenditures for the reporting year.

NC reports annual grant expenditures that correspond to federal draw downs. Therefore, additional expenditures have been incurred by projects in the calendar year 2014 that are not included because they had not been reimbursed by the grant and drawn down from the federal government prior to the end of the calendar year 2104.

NC expenditures remain below budget due to implementation delays in almost all Projects in Year 1 and in several projects in Year 2. However, NC was able to fully implement all Projects in Year 3 and expenditures were more in line with initial annual budgets (not including carry forward).

Budget Summary Table Explanation of Changes

Please describe any substantive changes that you anticipate to the State RTT-ELC budget in the upcoming year.

Intensive planning is underway to develop amendment requests to move unexpended funds from some projects where budgets are sufficient to prioritized projects that require additional funds, as well as to develop amendment requests for a no cost extension for prioritized projects that require additional time.

Budget Table: Project 1 – ELC Grant Management and Implementation Support

Budget Table: Project 1					
Budget Categories	Grant Year 1 (a)	Grant Year 2 (b)	Grant Year 3 (c)	Grant Year 4 (d)	Total (e)
1. Personnel	\$51,955.41	\$97,603.46	\$166,691.34	\$0.00	\$316,250.21
2. Fringe Benefits	\$14,628.01	\$23,823.58	\$17,873.79	\$0.00	\$56,325.38
3. Travel	\$0.00	\$142.50	\$2,252.46	\$0.00	\$2,394.96
4. Equipment	\$779.90	\$695.00	\$0.00	\$0.00	\$1,474.90
5. Supplies	\$212.20	\$575.62	\$521.15	\$0.00	\$1,308.97
6. Contractual	\$0.00	\$766,344.39	\$1,079,585.46	\$0.00	\$1,845,929.85
7. Training Stipends	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
8. Other	\$381.08	\$3,862.38	\$3,330.59	\$0.00	\$7,574.05
9. Total Direct Costs (add lines 1-8)	\$67,956.60	\$893,046.93	\$1,270,254.79	\$0.00	\$2,231,258.32
10. Indirect Costs	\$0.00	\$5,060.06	\$0.00	\$0.00	\$5,060.06
11. Funds to be distributed to localities, Early Learning Intermediary Organizations, Participating Programs and other partners	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
12. Funds set aside for participation in grantee technical assistance	\$3,241.19	\$15,428.30	\$58,182.16	\$0.00	\$76,851.65
13. Total Grant Funds Requested (add lines 9-12)	\$71,197.79	\$913,535.29	\$1,328,436.95	\$0.00	\$2,313,170.03
14. Funds from other sources used to support the State Plan	\$322,957.00	\$348,327.00	\$0.00	\$0.00	\$671,284.00
15. Total Statewide Budget (add lines 13-14)	\$394,154.79	\$1,261,862.29	\$1,328,436.95	\$0.00	\$2,984,454.03

Columns (a) through (d): For each grant year for which funding is requested, show the total amount requested for each applicable budget category.

Column (e): Show the total amount requested for all grant years.

Line 6: Show the amount of funds allocated through contracts with vendors for products to be acquired and/or professional services to be provided. A State may apply its indirect cost rate only against the first \$25,000 of each contract included in line 6.

Line 10: If the State plans to request reimbursement for indirect costs, complete the Indirect Cost Information form at the end of this Budget section. Note that indirect costs are not allocated to line 11.

Line 11: Show the amount of funds to be distributed to localities, Early Learning Intermediary Organizations, Participating Programs, and other partners through MOUs, interagency agreements, contracts, or other mechanisms authorized by State procurement laws. States are not required to provide budgets for how the localities, Early Learning Intermediary Organizations, Participating Programs, and other partners will use these funds. However, the Departments expect that, as part of the administration and oversight of the grant, States will monitor and track all expenditures to ensure that localities, Early Learning Intermediary Organizations, Participating Programs, and other partners spend these funds in accordance with the State Plan.

Line 12: The State must set aside \$400,000 from its grant funds for the purpose of participating in RTT–ELC grantee technical assistance activities facilitated by ED or HHS. This is primarily to be used for travel and may be allocated to Participating State Agencies evenly across the four years of the grant.

Line 13: This is the total funding requested under this grant.

Line 14: Show total funding from other sources (including Federal, State, private, or local) being used to support the State Plan and describe these funding sources in the budget narrative.

Project 1 Budget Narrative

Please provide a brief explanation of any discrepancies between the State's approved budget and its total expenditures for the reporting year.

Expenditures are lower than the approved budget for 2014 because actual personnel and related costs were lower than the initially budgeted and carry forward was not fully expended. One personnel position that remained unfilled in 2014 will be filled in 2015. Contractual expenses are on target for the initial annual budget, but carry forward was not fully expended. There were no delays in project progress related to these discrepancies.

Project 1 Budget Explanation of Changes

Please describe any substantive changes that you anticipate to the State RTT-ELC budget in the upcoming year.

NC plans to submit an amendment request for a no-cost extension for this project to allow for seamless grant management activities and oversight, and to continue a reduced level of implementation support and evaluation activities for the Transformation Zone. For this reason, the carry forward funds from this and previous years continue to be needed.

Effective in 2014, NC is not charging to the indirect cost line for Project 1 and Project 6 because the NC Department of Health and Human Services no longer has an approved indirect cost rate effective July 1, 2014 and now uses only a cost allocation method. The type of expenditure charged to indirect costs in Project 1 in Year 2 will be charged to personnel in Year 3 and 4. These funds support the NC DHHS Controller's Office that is responsible for all accounting and financial reporting functions for the agency. This includes all disbursements/receipts functions and the maintenance of subsystems to account for disbursements. Specifically, the DHHS Controller's Office provides support to the RTT-ELC grant in these ways: 1) makes payments to contractors; 2) draws down federal funds; 3) tracks federal expenditures and prepares federal financial reports; and 4) reviews provider audits, monitors findings and reviews/approves corrective action plans. The amount charged to personnel for these services will be approximately .5 to .75 of an FTE (between Project 1 and Project 6) and the amount could go up or down depending on the increase or decrease of program activity.

Budget Table: Project 2 – NC Early Childhood Integrated Data System

Budget Table: Project 2					
Budget Categories	Grant Year 1 (a)	Grant Year 2 (b)	Grant Year 3 (c)	Grant Year 4 (d)	Total (e)
1. Personnel	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2. Fringe Benefits	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
3. Travel	\$0.00	\$497.60	\$180.49	\$0.00	\$678.09
4. Equipment	\$0.00	\$2,400.00	\$1,040.35	\$0.00	\$3,440.35
5. Supplies	\$0.00	\$158.51	\$302.06	\$0.00	\$460.57
6. Contractual	\$0.00	\$389,947.58	\$1,371,338.44	\$0.00	\$1,761,286.02
7. Training Stipends	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
8. Other	\$0.00	\$2,920.03	\$1,078.34	\$0.00	\$3,998.37
9. Total Direct Costs (add lines 1-8)	\$0.00	\$395,923.72	\$1,373,939.68	\$0.00	\$1,769,863.40
10. Indirect Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
11. Funds to be distributed to localities, Early Learning Intermediary Organizations, Participating Programs and other partners	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
12. Funds set aside for participation in grantee technical assistance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
13. Total Grant Funds Requested (add lines 9-12)	\$0.00	\$395,923.72	\$1,373,939.68	\$0.00	\$1,769,863.40
14. Funds from other sources used to support the State Plan	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
15. Total Statewide Budget (add lines 13-14)	\$0.00	\$395,923.72	\$1,373,939.68	\$0.00	\$1,769,863.40

Columns (a) through (d): For each grant year for which funding is requested, show the total amount requested for each applicable budget category.
 Column (e): Show the total amount requested for all grant years.
 Line 6: Show the amount of funds allocated through contracts with vendors for products to be acquired and/or professional services to be provided. A State may apply its indirect cost rate only against the first \$25,000 of each contract included in line 6.
 Line 10: If the State plans to request reimbursement for indirect costs, complete the Indirect Cost Information form at the end of this Budget section. Note that indirect costs are not allocated to line 11.
 Line 11: Show the amount of funds to be distributed to localities, Early Learning Intermediary Organizations, Participating Programs, and other partners through MOUs, interagency agreements, contracts, or other mechanisms authorized by State procurement laws. States are not required to provide budgets for how the localities, Early Learning Intermediary Organizations, Participating Programs, and other partners will use these funds. However, the Departments expect that, as part of the administration and oversight of the grant, States will monitor and track all expenditures to ensure that localities, Early Learning Intermediary Organizations, Participating Programs, and other partners spend these funds in accordance with the State Plan.
 Line 12: The State must set aside \$400,000 from its grant funds for the purpose of participating in RTT–ELC grantee technical assistance activities facilitated by ED or HHS. This is primarily to be used for travel and may be allocated to Participating State Agencies evenly across the four years of the grant.
 Line 13: This is the total funding requested under this grant.
 Line 14: Show total funding from other sources (including Federal, State, private, or local) being used to support the State Plan and describe these funding sources in the budget narrative.

Project 2 Budget Narrative

Please provide a brief explanation of any discrepancies between the State's approved budget and its total expenditures for the reporting year.

Expenditures have been delayed for Project 2, both NC ECIDS and the Child Care Workforce Data Project, because of delays caused by complex contracting issues and the multiple levels of review and concomitant time delays that are a part of the information technology development process for state government.

Project 2 Budget Explanation of Changes

Please describe any substantive changes that you anticipate to the State RTT-ELC budget in the upcoming year.

NC plans to submit an amendment request for a no-cost extension for Project 2 to allow more time for the systems' build and testing phases prior to launch. NC will likely request that unexpended funding in another project be moved to the Child Care Workforce Data Project, amount to be determined.

Budget Table: Project 3 – Professional Development Capacity Building

Budget Table: Project 3					
Budget Categories	Grant Year 1 (a)	Grant Year 2 (b)	Grant Year 3 (c)	Grant Year 4 (d)	Total (e)
1. Personnel	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2. Fringe Benefits				\$0.00	\$0.00
3. Travel	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4. Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5. Supplies	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
6. Contractual	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
7. Training Stipends	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
8. Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
9. Total Direct Costs (add lines 1-8)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
10. Indirect Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
11. Funds to be distributed to localities, Early Learning Intermediary Organizations, Participating Programs and other partners	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
12. Funds set aside for participation in grantee technical assistance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
13. Total Grant Funds Requested (add lines 9-12)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
14. Funds from other sources used to support the State Plan	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
15. Total Statewide Budget (add lines 13-14)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Columns (a) through (d): For each grant year for which funding is requested, show the total amount requested for each applicable budget category.
 Column (e): Show the total amount requested for all grant years.
 Line 6: Show the amount of funds allocated through contracts with vendors for products to be acquired and/or professional services to be provided. A State may apply its indirect cost rate only against the first \$25,000 of each contract included in line 6.
 Line 10: If the State plans to request reimbursement for indirect costs, complete the Indirect Cost Information form at the end of this Budget section. Note that indirect costs are not allocated to line 11.
 Line 11: Show the amount of funds to be distributed to localities, Early Learning Intermediary Organizations, Participating Programs, and other partners through MOUs, interagency agreements, contracts, or other mechanisms authorized by State procurement laws. States are not required to provide budgets for how the localities, Early Learning Intermediary Organizations, Participating Programs, and other partners will use these funds. However, the Departments expect that, as part of the administration and oversight of the grant, States will monitor and track all expenditures to ensure that localities, Early Learning Intermediary Organizations, Participating Programs, and other partners spend these funds in accordance with the State Plan.
 Line 12: The State must set aside \$400,000 from its grant funds for the purpose of participating in RTT–ELC grantee technical assistance activities facilitated by ED or HHS. This is primarily to be used for travel and may be allocated to Participating State Agencies evenly across the four years of the grant.
 Line 13: This is the total funding requested under this grant.
 Line 14: Show total funding from other sources (including Federal, State, private, or local) being used to support the State Plan and describe these funding sources in the budget narrative.

Project 3 Budget Narrative

Please provide a brief explanation of any discrepancies between the State's approved budget and its total expenditures for the reporting year.

Expenditures remain below budget because of the delayed start of this project due to the prolonged planning required. However, as of fall 2014, this project is fully implemented and on track to meet/exceed expectations and expend all funds in 2015.

Project 3 Budget Explanation of Changes

Please describe any substantive changes that you anticipate to the State RTT-ELC budget in the upcoming year.

NC plans to submit an amendment request to move unexpended funds from another project to Project 3 and to request a no-cost extension to allow students in the on-line masters degree programs to complete the 2015-16 school year.

Budget Table: Project 4 – Promoting Participation in the Revised QRIS

Budget Table: Project 4					
Budget Categories	Grant Year 1 (a)	Grant Year 2 (b)	Grant Year 3 (c)	Grant Year 4 (d)	Total (e)
1. Personnel	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2. Fringe Benefits				\$0.00	\$0.00
3. Travel	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4. Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5. Supplies	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
6. Contractual	\$8,813.34	\$120,054.11	\$338,454.46	\$0.00	\$467,321.91
7. Training Stipends	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
8. Other	\$49.20	\$7.00	\$4,315.56	\$0.00	\$4,371.76
9. Total Direct Costs (add lines 1-8)	\$8,862.54	\$120,061.11	\$342,770.02	\$0.00	\$471,693.67
10. Indirect Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
11. Funds to be distributed to localities, Early Learning Intermediary Organizations, Participating Programs and other partners	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
12. Funds set aside for participation in grantee technical assistance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
13. Total Grant Funds Requested (add lines 9-12)	\$8,862.54	\$120,061.11	\$342,770.02	\$0.00	\$471,693.67
14. Funds from other sources used to support the State Plan	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
15. Total Statewide Budget (add lines 13-14)	\$8,862.54	\$120,061.11	\$342,770.02	\$0.00	\$471,693.67

Columns (a) through (d): For each grant year for which funding is requested, show the total amount requested for each applicable budget category.
 Column (e): Show the total amount requested for all grant years.
 Line 6: Show the amount of funds allocated through contracts with vendors for products to be acquired and/or professional services to be provided. A State may apply its indirect cost rate only against the first \$25,000 of each contract included in line 6.
 Line 10: If the State plans to request reimbursement for indirect costs, complete the Indirect Cost Information form at the end of this Budget section. Note that indirect costs are not allocated to line 11.
 Line 11: Show the amount of funds to be distributed to localities, Early Learning Intermediary Organizations, Participating Programs, and other partners through MOUs, interagency agreements, contracts, or other mechanisms authorized by State procurement laws. States are not required to provide budgets for how the localities, Early Learning Intermediary Organizations, Participating Programs, and other partners will use these funds. However, the Departments expect that, as part of the administration and oversight of the grant, States will monitor and track all expenditures to ensure that localities, Early Learning Intermediary Organizations, Participating Programs, and other partners spend these funds in accordance with the State Plan.
 Line 12: The State must set aside \$400,000 from its grant funds for the purpose of participating in RTT–ELC grantee technical assistance activities facilitated by ED or HHS. This is primarily to be used for travel and may be allocated to Participating State Agencies evenly across the four years of the grant.
 Line 13: This is the total funding requested under this grant.
 Line 14: Show total funding from other sources (including Federal, State, private, or local) being used to support the State Plan and describe these funding sources in the budget narrative.

Project 4 Budget Narrative

Please provide a brief explanation of any discrepancies between the State's approved budget and its total expenditures for the reporting year.

Expenditures are below budget for the "PD Bonus" because this activity had a delayed implementation, but it is now in full implementation moving into 2015. Expenditures for the "Support to Enter TQRIS" activity were on target for its initial annual budget, but unexpended carry forward remains.

Project 4 Budget Explanation of Changes

Please describe any substantive changes that you anticipate to the State RTT-ELC budget in the upcoming year.

Unexpended funds will be moved to another project.

Budget Table: Project 5 – TQRIS Program Quality Measure Development

Budget Table: Project 5					
Budget Categories	Grant Year 1 (a)	Grant Year 2 (b)	Grant Year 3 (c)	Grant Year 4 (d)	Total (e)
1. Personnel	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2. Fringe Benefits				\$0.00	\$0.00
3. Travel	\$0.00	\$221.80	\$0.00	\$0.00	\$221.80
4. Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5. Supplies	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
6. Contractual	\$39,809.50	\$189,321.08	\$161,129.73	\$0.00	\$390,260.31
7. Training Stipends	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
8. Other	\$32.80	\$1,122.22	\$0.00	\$0.00	\$1,155.02
9. Total Direct Costs (add lines 1-8)	\$39,842.30	\$190,665.10	\$161,129.73	\$0.00	\$391,637.13
10. Indirect Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
11. Funds to be distributed to localities, Early Learning Intermediary Organizations, Participating Programs and other partners	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
12. Funds set aside for participation in grantee technical assistance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
13. Total Grant Funds Requested (add lines 9-12)	\$39,842.30	\$190,665.10	\$161,129.73	\$0.00	\$391,637.13
14. Funds from other sources used to support the State Plan	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
15. Total Statewide Budget (add lines 13-14)	\$39,842.30	\$190,665.10	\$161,129.73	\$0.00	\$391,637.13

Columns (a) through (d): For each grant year for which funding is requested, show the total amount requested for each applicable budget category.
 Column (e): Show the total amount requested for all grant years.
 Line 6: Show the amount of funds allocated through contracts with vendors for products to be acquired and/or professional services to be provided. A State may apply its indirect cost rate only against the first \$25,000 of each contract included in line 6.
 Line 10: If the State plans to request reimbursement for indirect costs, complete the Indirect Cost Information form at the end of this Budget section. Note that indirect costs are not allocated to line 11.
 Line 11: Show the amount of funds to be distributed to localities, Early Learning Intermediary Organizations, Participating Programs, and other partners through MOUs, interagency agreements, contracts, or other mechanisms authorized by State procurement laws. States are not required to provide budgets for how the localities, Early Learning Intermediary Organizations, Participating Programs, and other partners will use these funds. However, the Departments expect that, as part of the administration and oversight of the grant, States will monitor and track all expenditures to ensure that localities, Early Learning Intermediary Organizations, Participating Programs, and other partners spend these funds in accordance with the State Plan.
 Line 12: The State must set aside \$400,000 from its grant funds for the purpose of participating in RTT–ELC grantee technical assistance activities facilitated by ED or HHS. This is primarily to be used for travel and may be allocated to Participating State Agencies evenly across the four years of the grant.
 Line 13: This is the total funding requested under this grant.
 Line 14: Show total funding from other sources (including Federal, State, private, or local) being used to support the State Plan and describe these funding sources in the budget narrative.

Project 5 Budget Narrative

Please provide a brief explanation of any discrepancies between the State's approved budget and its total expenditures for the reporting year.

This project is on track, though carry forward continues to be needed.

Project 5 Budget Explanation of Changes

Please describe any substantive changes that you anticipate to the State RTT-ELC budget in the upcoming year.

NC plans to submit an amendment request to move unexpended funds from another project(s) to this project and to request a no cost extension so that this complex project may be completed most effectively and coordinated with the TQRIS Validation Study through 2015 - 2016.

Budget Table: Project 6 – Increasing Access to High Quality ELD Programs

Budget Table: Project 6					
Budget Categories	Grant Year 1 (a)	Grant Year 2 (b)	Grant Year 3 (c)	Grant Year 4 (d)	Total (e)
1. Personnel	\$0.00	\$0.00	\$63,363.97	\$0.00	\$63,363.97
2. Fringe Benefits				\$0.00	\$0.00
3. Travel	\$0.00	\$388.69	\$2,846.40	\$0.00	\$3,235.09
4. Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5. Supplies	\$0.00	\$570.32	\$196.74	\$0.00	\$767.06
6. Contractual	\$68,491.25	\$447,567.09	\$1,168,304.61	\$0.00	\$1,684,362.95
7. Training Stipends	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
8. Other	\$44.70	\$4,682.79	\$1,478.58	\$0.00	\$6,206.07
9. Total Direct Costs (add lines 1-8)	\$68,535.95	\$453,208.89	\$1,254,895.30	\$0.00	\$1,776,640.14
10. Indirect Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
11. Funds to be distributed to localities, Early Learning Intermediary Organizations, Participating Programs and other partners	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
12. Funds set aside for participation in grantee technical assistance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
13. Total Grant Funds Requested (add lines 9-12)	\$68,535.95	\$453,208.89	\$1,254,895.30	\$0.00	\$1,776,640.14
14. Funds from other sources used to support the State Plan	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
15. Total Statewide Budget (add lines 13-14)	\$68,535.95	\$453,208.89	\$1,254,895.30	\$0.00	\$1,776,640.14

Columns (a) through (d): For each grant year for which funding is requested, show the total amount requested for each applicable budget category.

Column (e): Show the total amount requested for all grant years.

Line 6: Show the amount of funds allocated through contracts with vendors for products to be acquired and/or professional services to be provided. A State may apply its indirect cost rate only against the first \$25,000 of each contract included in line 6.

Line 10: If the State plans to request reimbursement for indirect costs, complete the Indirect Cost Information form at the end of this Budget section. Note that indirect costs are not allocated to line 11.

Line 11: Show the amount of funds to be distributed to localities, Early Learning Intermediary Organizations, Participating Programs, and other partners through MOUs, interagency agreements, contracts, or other mechanisms authorized by State procurement laws. States are not required to provide budgets for how the localities, Early Learning Intermediary Organizations, Participating Programs, and other partners will use these funds. However, the Departments expect that, as part of the administration and oversight of the grant, States will monitor and track all expenditures to ensure that localities, Early Learning Intermediary Organizations, Participating Programs, and other partners spend these funds in accordance with the State Plan.

Line 12: The State must set aside \$400,000 from its grant funds for the purpose of participating in RTT–ELC grantee technical assistance activities facilitated by ED or HHS. This is primarily to be used for travel and may be allocated to Participating State Agencies evenly across the four years of the grant.

Line 13: This is the total funding requested under this grant.

Line 14: Show total funding from other sources (including Federal, State, private, or local) being used to support the State Plan and describe these funding sources in the budget narrative.

Project 6 Budget Narrative

Please provide a brief explanation of any discrepancies between the State's approved budget and its total expenditures for the reporting year.

Project 6 Budget Explanation of Changes

Please describe any substantive changes that you anticipate to the State RTT-ELC budget in the upcoming year.

NC plans to submit an amendment request to move funds from Project 6, Budget Line 11 (Infant Toddler Expansion Grant in the Transformation Zone) to Project 17 (Family Connects in the Transformation Zone).

(repeated from Project 1)

Effective in 2014, NC is not charging to the indirect cost line for Project 1 and Project 6 because the NC Department of Health and Human Services no longer has an approved indirect cost rate effective July 1, 2014 and now uses only a cost allocation method. The type of expenditure charged to indirect costs in Project 1 in Year 2 will be charged to personnel in Year 3 and 4. These funds support the NC DHHS Controller's Office that is responsible for all accounting and financial reporting functions for the agency. This includes all disbursements/receipts functions and the maintenance of subsystems to account for disbursements. Specifically, the DHHS Controller's Office provides support to the RTT-ELC grant in these ways: 1) makes payments to contractors; 2) draws down federal funds; 3) tracks federal expenditures and prepares federal financial reports; and 4) reviews provider audits, monitors findings and reviews/approves corrective action plans. The amount charged to personnel for these services will be approximately .5 to .75 of an FTE (between Project 1 and Project 6) and the amount could go up or down depending on the increase or decrease of program activity.

Budget Table: Project 7 – TQRIS Validation Study

Budget Table: Project 7					
Budget Categories	Grant Year 1 (a)	Grant Year 2 (b)	Grant Year 3 (c)	Grant Year 4 (d)	Total (e)
1. Personnel	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2. Fringe Benefits				\$0.00	\$0.00
3. Travel	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4. Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5. Supplies	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
6. Contractual	\$2,933.13	\$105,196.00	\$206,080.47	\$0.00	\$314,209.60
7. Training Stipends	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
8. Other	\$32.80	\$538.27	\$0.00	\$0.00	\$571.07
9. Total Direct Costs (add lines 1-8)	\$2,965.93	\$105,734.27	\$206,080.47	\$0.00	\$314,780.67
10. Indirect Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
11. Funds to be distributed to localities, Early Learning Intermediary Organizations, Participating Programs and other partners	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
12. Funds set aside for participation in grantee technical assistance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
13. Total Grant Funds Requested (add lines 9-12)	\$2,965.93	\$105,734.27	\$206,080.47	\$0.00	\$314,780.67
14. Funds from other sources used to support the State Plan	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
15. Total Statewide Budget (add lines 13-14)	\$2,965.93	\$105,734.27	\$206,080.47	\$0.00	\$314,780.67

Columns (a) through (d): For each grant year for which funding is requested, show the total amount requested for each applicable budget category.
 Column (e): Show the total amount requested for all grant years.
 Line 6: Show the amount of funds allocated through contracts with vendors for products to be acquired and/or professional services to be provided. A State may apply its indirect cost rate only against the first \$25,000 of each contract included in line 6.
 Line 10: If the State plans to request reimbursement for indirect costs, complete the Indirect Cost Information form at the end of this Budget section. Note that indirect costs are not allocated to line 11.
 Line 11: Show the amount of funds to be distributed to localities, Early Learning Intermediary Organizations, Participating Programs, and other partners through MOUs, interagency agreements, contracts, or other mechanisms authorized by State procurement laws. States are not required to provide budgets for how the localities, Early Learning Intermediary Organizations, Participating Programs, and other partners will use these funds. However, the Departments expect that, as part of the administration and oversight of the grant, States will monitor and track all expenditures to ensure that localities, Early Learning Intermediary Organizations, Participating Programs, and other partners spend these funds in accordance with the State Plan.
 Line 12: The State must set aside \$400,000 from its grant funds for the purpose of participating in RTT–ELC grantee technical assistance activities facilitated by ED or HHS. This is primarily to be used for travel and may be allocated to Participating State Agencies evenly across the four years of the grant.
 Line 13: This is the total funding requested under this grant.
 Line 14: Show total funding from other sources (including Federal, State, private, or local) being used to support the State Plan and describe these funding sources in the budget narrative.

Project 7 Budget Narrative

Please provide a brief explanation of any discrepancies between the State's approved budget and its total expenditures for the reporting year.

Expenditures are below budget because this project has not yet reached Phase 2 of the Validation Study where the higher costs are required.

Project 7 Budget Explanation of Changes

Please describe any substantive changes that you anticipate to the State RTT-ELC budget in the upcoming year.

NC plans to submit an amendment request for a no cost extension for the TQRIS Validation Study so that validity testing of the final model can be conducted from 2015 through 2016.

Budget Table: Project 8 – Enhanced Professional Development

Budget Table: Project 8					
Budget Categories	Grant Year 1 (a)	Grant Year 2 (b)	Grant Year 3 (c)	Grant Year 4 (d)	Total (e)
1. Personnel	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2. Fringe Benefits				\$0.00	\$0.00
3. Travel	\$0.00	\$39,101.36	\$0.00	\$0.00	\$39,101.36
4. Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5. Supplies	\$0.00	\$268.10	\$0.00	\$0.00	\$268.10
6. Contractual	\$10,393.87	\$901,241.16	\$1,788,688.03	\$0.00	\$2,700,323.06
7. Training Stipends	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
8. Other	\$32.80	\$40,494.61	\$0.00	\$0.00	\$40,527.41
9. Total Direct Costs (add lines 1-8)	\$10,426.67	\$981,105.23	\$1,788,688.03	\$0.00	\$2,780,219.93
10. Indirect Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
11. Funds to be distributed to localities, Early Learning Intermediary Organizations, Participating Programs and other partners	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
12. Funds set aside for participation in grantee technical assistance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
13. Total Grant Funds Requested (add lines 9-12)	\$10,426.67	\$981,105.23	\$1,788,688.03	\$0.00	\$2,780,219.93
14. Funds from other sources used to support the State Plan	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
15. Total Statewide Budget (add lines 13-14)	\$10,426.67	\$981,105.23	\$1,788,688.03	\$0.00	\$2,780,219.93

Columns (a) through (d): For each grant year for which funding is requested, show the total amount requested for each applicable budget category.

Column (e): Show the total amount requested for all grant years.

Line 6: Show the amount of funds allocated through contracts with vendors for products to be acquired and/or professional services to be provided. A State may apply its indirect cost rate only against the first \$25,000 of each contract included in line 6.

Line 10: If the State plans to request reimbursement for indirect costs, complete the Indirect Cost Information form at the end of this Budget section. Note that indirect costs are not allocated to line 11.

Line 11: Show the amount of funds to be distributed to localities, Early Learning Intermediary Organizations, Participating Programs, and other partners through MOUs, interagency agreements, contracts, or other mechanisms authorized by State procurement laws. States are not required to provide budgets for how the localities, Early Learning Intermediary Organizations, Participating Programs, and other partners will use these funds. However, the Departments expect that, as part of the administration and oversight of the grant, States will monitor and track all expenditures to ensure that localities, Early Learning Intermediary Organizations, Participating Programs, and other partners spend these funds in accordance with the State Plan.

Line 12: The State must set aside \$400,000 from its grant funds for the purpose of participating in RTT–ELC grantee technical assistance activities facilitated by ED or HHS. This is primarily to be used for travel and may be allocated to Participating State Agencies evenly across the four years of the grant.

Line 13: This is the total funding requested under this grant.

Line 14: Show total funding from other sources (including Federal, State, private, or local) being used to support the State Plan and describe these funding sources in the budget narrative.

Project 8 Budget Narrative

Please provide a brief explanation of any discrepancies between the State's approved budget and its total expenditures for the reporting year.

Project 8 Budget Explanation of Changes

Please describe any substantive changes that you anticipate to the State RTT-ELC budget in the upcoming year.

Budget Table: Project 9 – Early Learning and Development Standards

Budget Table: Project 9					
Budget Categories	Grant Year 1 (a)	Grant Year 2 (b)	Grant Year 3 (c)	Grant Year 4 (d)	Total (e)
1. Personnel	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2. Fringe Benefits				\$0.00	\$0.00
3. Travel	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4. Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5. Supplies	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
6. Contractual	\$3,126.31	\$1,819.83	\$22,081.81	\$0.00	\$27,027.95
7. Training Stipends	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
8. Other	\$32.80	\$0.00	\$0.00	\$0.00	\$32.80
9. Total Direct Costs (add lines 1-8)	\$3,159.11	\$1,819.83	\$22,081.81	\$0.00	\$27,060.75
10. Indirect Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
11. Funds to be distributed to localities, Early Learning Intermediary Organizations, Participating Programs and other partners	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
12. Funds set aside for participation in grantee technical assistance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
13. Total Grant Funds Requested (add lines 9-12)	\$3,159.11	\$1,819.83	\$22,081.81	\$0.00	\$27,060.75
14. Funds from other sources used to support the State Plan	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
15. Total Statewide Budget (add lines 13-14)	\$3,159.11	\$1,819.83	\$22,081.81	\$0.00	\$27,060.75

Columns (a) through (d): For each grant year for which funding is requested, show the total amount requested for each applicable budget category.
 Column (e): Show the total amount requested for all grant years.
 Line 6: Show the amount of funds allocated through contracts with vendors for products to be acquired and/or professional services to be provided. A State may apply its indirect cost rate only against the first \$25,000 of each contract included in line 6.
 Line 10: If the State plans to request reimbursement for indirect costs, complete the Indirect Cost Information form at the end of this Budget section. Note that indirect costs are not allocated to line 11.
 Line 11: Show the amount of funds to be distributed to localities, Early Learning Intermediary Organizations, Participating Programs, and other partners through MOUs, interagency agreements, contracts, or other mechanisms authorized by State procurement laws. States are not required to provide budgets for how the localities, Early Learning Intermediary Organizations, Participating Programs, and other partners will use these funds. However, the Departments expect that, as part of the administration and oversight of the grant, States will monitor and track all expenditures to ensure that localities, Early Learning Intermediary Organizations, Participating Programs, and other partners spend these funds in accordance with the State Plan.
 Line 12: The State must set aside \$400,000 from its grant funds for the purpose of participating in RTT–ELC grantee technical assistance activities facilitated by ED or HHS. This is primarily to be used for travel and may be allocated to Participating State Agencies evenly across the four years of the grant.
 Line 13: This is the total funding requested under this grant.
 Line 14: Show total funding from other sources (including Federal, State, private, or local) being used to support the State Plan and describe these funding sources in the budget narrative.

Project 9 Budget Narrative

Please provide a brief explanation of any discrepancies between the State's approved budget and its total expenditures for the reporting year.

Project 9 Budget Explanation of Changes

Please describe any substantive changes that you anticipate to the State RTT-ELC budget in the upcoming year.

Budget Table: Project 10 – Certification and Licensure

Budget Table: Project 10					
Budget Categories	Grant Year 1 (a)	Grant Year 2 (b)	Grant Year 3 (c)	Grant Year 4 (d)	Total (e)
1. Personnel	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2. Fringe Benefits				\$0.00	\$0.00
3. Travel	\$0.00	\$1,076.20	\$1,128.70	\$0.00	\$2,204.90
4. Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5. Supplies	\$0.00	\$381.34	\$0.00	\$0.00	\$381.34
6. Contractual	\$37,548.42	\$609,054.21	\$552,778.04	\$0.00	\$1,199,380.67
7. Training Stipends	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
8. Other	\$39.34	\$1,968.81	\$0.00	\$0.00	\$2,008.15
9. Total Direct Costs (add lines 1-8)	\$37,587.76	\$612,480.56	\$553,906.74	\$0.00	\$1,203,975.06
10. Indirect Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
11. Funds to be distributed to localities, Early Learning Intermediary Organizations, Participating Programs and other partners	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
12. Funds set aside for participation in grantee technical assistance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
13. Total Grant Funds Requested (add lines 9-12)	\$37,587.76	\$612,480.56	\$553,906.74	\$0.00	\$1,203,975.06
14. Funds from other sources used to support the State Plan	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
15. Total Statewide Budget (add lines 13-14)	\$37,587.76	\$612,480.56	\$553,906.74	\$0.00	\$1,203,975.06

Columns (a) through (d): For each grant year for which funding is requested, show the total amount requested for each applicable budget category.

Column (e): Show the total amount requested for all grant years.

Line 6: Show the amount of funds allocated through contracts with vendors for products to be acquired and/or professional services to be provided. A State may apply its indirect cost rate only against the first \$25,000 of each contract included in line 6.

Line 10: If the State plans to request reimbursement for indirect costs, complete the Indirect Cost Information form at the end of this Budget section. Note that indirect costs are not allocated to line 11.

Line 11: Show the amount of funds to be distributed to localities, Early Learning Intermediary Organizations, Participating Programs, and other partners through MOUs, interagency agreements, contracts, or other mechanisms authorized by State procurement laws. States are not required to provide budgets for how the localities, Early Learning Intermediary Organizations, Participating Programs, and other partners will use these funds. However, the Departments expect that, as part of the administration and oversight of the grant, States will monitor and track all expenditures to ensure that localities, Early Learning Intermediary Organizations, Participating Programs, and other partners spend these funds in accordance with the State Plan.

Line 12: The State must set aside \$400,000 from its grant funds for the purpose of participating in RTT–ELC grantee technical assistance activities facilitated by ED or HHS. This is primarily to be used for travel and may be allocated to Participating State Agencies evenly across the four years of the grant.

Line 13: This is the total funding requested under this grant.

Line 14: Show total funding from other sources (including Federal, State, private, or local) being used to support the State Plan and describe these funding sources in the budget narrative.

Project 10 Budget Narrative

Please provide a brief explanation of any discrepancies between the State's approved budget and its total expenditures for the reporting year.

This project was over expended by \$7,917.87. This amount was transferred from Project 12.

Project 10 Budget Explanation of Changes

Please describe any substantive changes that you anticipate to the State RTT-ELC budget in the upcoming year.

Budget Table: Project 11 – Access and Accreditation

Budget Table: Project 11					
Budget Categories	Grant Year 1 (a)	Grant Year 2 (b)	Grant Year 3 (c)	Grant Year 4 (d)	Total (e)
1. Personnel	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2. Fringe Benefits				\$0.00	\$0.00
3. Travel	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4. Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5. Supplies	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
6. Contractual	\$3,233.61	\$40,031.07	\$252,343.57	\$0.00	\$295,608.25
7. Training Stipends	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
8. Other	\$32.80	\$0.00	\$0.00	\$0.00	\$32.80
9. Total Direct Costs (add lines 1-8)	\$3,266.41	\$40,031.07	\$252,343.57	\$0.00	\$295,641.05
10. Indirect Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
11. Funds to be distributed to localities, Early Learning Intermediary Organizations, Participating Programs and other partners	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
12. Funds set aside for participation in grantee technical assistance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
13. Total Grant Funds Requested (add lines 9-12)	\$3,266.41	\$40,031.07	\$252,343.57	\$0.00	\$295,641.05
14. Funds from other sources used to support the State Plan	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
15. Total Statewide Budget (add lines 13-14)	\$3,266.41	\$40,031.07	\$252,343.57	\$0.00	\$295,641.05

Columns (a) through (d): For each grant year for which funding is requested, show the total amount requested for each applicable budget category.

Column (e): Show the total amount requested for all grant years.

Line 6: Show the amount of funds allocated through contracts with vendors for products to be acquired and/or professional services to be provided. A State may apply its indirect cost rate only against the first \$25,000 of each contract included in line 6.

Line 10: If the State plans to request reimbursement for indirect costs, complete the Indirect Cost Information form at the end of this Budget section. Note that indirect costs are not allocated to line 11.

Line 11: Show the amount of funds to be distributed to localities, Early Learning Intermediary Organizations, Participating Programs, and other partners through MOUs, interagency agreements, contracts, or other mechanisms authorized by State procurement laws. States are not required to provide budgets for how the localities, Early Learning Intermediary Organizations, Participating Programs, and other partners will use these funds. However, the Departments expect that, as part of the administration and oversight of the grant, States will monitor and track all expenditures to ensure that localities, Early Learning Intermediary Organizations, Participating Programs, and other partners spend these funds in accordance with the State Plan.

Line 12: The State must set aside \$400,000 from its grant funds for the purpose of participating in RTT–ELC grantee technical assistance activities facilitated by ED or HHS. This is primarily to be used for travel and may be allocated to Participating State Agencies evenly across the four years of the grant.

Line 13: This is the total funding requested under this grant.

Line 14: Show total funding from other sources (including Federal, State, private, or local) being used to support the State Plan and describe these funding sources in the budget narrative.

Project 11 Budget Narrative

Please provide a brief explanation of any discrepancies between the State's approved budget and its total expenditures for the reporting year.

This project is on track for annual expenditures. Carry forward from Year 1 and Year 2 due to delays was not used in 2014, but will be used in 2015 with the additional carry forward.

Project 11 Budget Explanation of Changes

Please describe any substantive changes that you anticipate to the State RTT-ELC budget in the upcoming year.

Budget Table: Project 12 – Compensation and Retention

Budget Table: Project 12					
Budget Categories	Grant Year 1 (a)	Grant Year 2 (b)	Grant Year 3 (c)	Grant Year 4 (d)	Total (e)
1. Personnel	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2. Fringe Benefits				\$0.00	\$0.00
3. Travel	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4. Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5. Supplies	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
6. Contractual	\$38,592.66	\$734,514.58	\$1,751,527.16	\$0.00	\$2,524,634.40
7. Training Stipends	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
8. Other	\$32.80	\$63.91	\$0.00	\$0.00	\$96.71
9. Total Direct Costs (add lines 1-8)	\$38,625.46	\$734,578.49	\$1,751,527.16	\$0.00	\$2,524,731.11
10. Indirect Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
11. Funds to be distributed to localities, Early Learning Intermediary Organizations, Participating Programs and other partners	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
12. Funds set aside for participation in grantee technical assistance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
13. Total Grant Funds Requested (add lines 9-12)	\$38,625.46	\$734,578.49	\$1,751,527.16	\$0.00	\$2,524,731.11
14. Funds from other sources used to support the State Plan	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
15. Total Statewide Budget (add lines 13-14)	\$38,625.46	\$734,578.49	\$1,751,527.16	\$0.00	\$2,524,731.11

Columns (a) through (d): For each grant year for which funding is requested, show the total amount requested for each applicable budget category.

Column (e): Show the total amount requested for all grant years.

Line 6: Show the amount of funds allocated through contracts with vendors for products to be acquired and/or professional services to be provided. A State may apply its indirect cost rate only against the first \$25,000 of each contract included in line 6.

Line 10: If the State plans to request reimbursement for indirect costs, complete the Indirect Cost Information form at the end of this Budget section. Note that indirect costs are not allocated to line 11.

Line 11: Show the amount of funds to be distributed to localities, Early Learning Intermediary Organizations, Participating Programs, and other partners through MOUs, interagency agreements, contracts, or other mechanisms authorized by State procurement laws. States are not required to provide budgets for how the localities, Early Learning Intermediary Organizations, Participating Programs, and other partners will use these funds. However, the Departments expect that, as part of the administration and oversight of the grant, States will monitor and track all expenditures to ensure that localities, Early Learning Intermediary Organizations, Participating Programs, and other partners spend these funds in accordance with the State Plan.

Line 12: The State must set aside \$400,000 from its grant funds for the purpose of participating in RTT–ELC grantee technical assistance activities facilitated by ED or HHS. This is primarily to be used for travel and may be allocated to Participating State Agencies evenly across the four years of the grant.

Line 13: This is the total funding requested under this grant.

Line 14: Show total funding from other sources (including Federal, State, private, or local) being used to support the State Plan and describe these funding sources in the budget narrative.

Project 12 Budget Narrative

Please provide a brief explanation of any discrepancies between the State's approved budget and its total expenditures for the reporting year.

Expenditures are below budget because the TEACH Scholarships are not serving as many students as budgeted. \$7,917.87 for Year 3 has been transferred to Project 10 to cover overages in that project.

Project 12 Budget Explanation of Changes

Please describe any substantive changes that you anticipate to the State RTT-ELC budget in the upcoming year.

NC is planning an amendment request that will move some unexpended funds to other projects, but will also request a no cost extension for some TEACH scholarships to allow some recipients to complete the 2015-2016 school year.

Budget Table: Project 13 – Cultural Competence

Budget Table: Project 13					
Budget Categories	Grant Year 1 (a)	Grant Year 2 (b)	Grant Year 3 (c)	Grant Year 4 (d)	Total (e)
1. Personnel	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2. Fringe Benefits				\$0.00	\$0.00
3. Travel	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4. Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5. Supplies	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
6. Contractual	\$3,126.31	\$192,326.45	\$478,089.77	\$0.00	\$673,542.53
7. Training Stipends	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
8. Other	\$32.80	\$34.77	\$0.00	\$0.00	\$67.57
9. Total Direct Costs (add lines 1-8)	\$3,159.11	\$192,361.22	\$478,089.77	\$0.00	\$673,610.10
10. Indirect Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
11. Funds to be distributed to localities, Early Learning Intermediary Organizations, Participating Programs and other partners	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
12. Funds set aside for participation in grantee technical assistance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
13. Total Grant Funds Requested (add lines 9-12)	\$3,159.11	\$192,361.22	\$478,089.77	\$0.00	\$673,610.10
14. Funds from other sources used to support the State Plan	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
15. Total Statewide Budget (add lines 13-14)	\$3,159.11	\$192,361.22	\$478,089.77	\$0.00	\$673,610.10

Columns (a) through (d): For each grant year for which funding is requested, show the total amount requested for each applicable budget category.
 Column (e): Show the total amount requested for all grant years.
 Line 6: Show the amount of funds allocated through contracts with vendors for products to be acquired and/or professional services to be provided. A State may apply its indirect cost rate only against the first \$25,000 of each contract included in line 6.
 Line 10: If the State plans to request reimbursement for indirect costs, complete the Indirect Cost Information form at the end of this Budget section. Note that indirect costs are not allocated to line 11.
 Line 11: Show the amount of funds to be distributed to localities, Early Learning Intermediary Organizations, Participating Programs, and other partners through MOUs, interagency agreements, contracts, or other mechanisms authorized by State procurement laws. States are not required to provide budgets for how the localities, Early Learning Intermediary Organizations, Participating Programs, and other partners will use these funds. However, the Departments expect that, as part of the administration and oversight of the grant, States will monitor and track all expenditures to ensure that localities, Early Learning Intermediary Organizations, Participating Programs, and other partners spend these funds in accordance with the State Plan.
 Line 12: The State must set aside \$400,000 from its grant funds for the purpose of participating in RTT–ELC grantee technical assistance activities facilitated by ED or HHS. This is primarily to be used for travel and may be allocated to Participating State Agencies evenly across the four years of the grant.
 Line 13: This is the total funding requested under this grant.
 Line 14: Show total funding from other sources (including Federal, State, private, or local) being used to support the State Plan and describe these funding sources in the budget narrative.

Project 13 Budget Narrative

Please provide a brief explanation of any discrepancies between the State's approved budget and its total expenditures for the reporting year.

Project 13 Budget Explanation of Changes

Please describe any substantive changes that you anticipate to the State RTT-ELC budget in the upcoming year.

This project will be completed as planned in 2015.

Budget Table: Project 14 – Early Childhood Director Leadership Institute

Budget Table: Project 14					
Budget Categories	Grant Year 1 (a)	Grant Year 2 (b)	Grant Year 3 (c)	Grant Year 4 (d)	Total (e)
1. Personnel	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2. Fringe Benefits				\$0.00	\$0.00
3. Travel	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4. Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5. Supplies	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
6. Contractual	\$3,126.90	\$132,269.39	\$288,802.35	\$0.00	\$424,198.64
7. Training Stipends	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
8. Other	\$32.80	\$0.00	\$0.00	\$0.00	\$32.80
9. Total Direct Costs (add lines 1-8)	\$3,159.70	\$132,269.39	\$288,802.35	\$0.00	\$424,231.44
10. Indirect Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
11. Funds to be distributed to localities, Early Learning Intermediary Organizations, Participating Programs and other partners	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
12. Funds set aside for participation in grantee technical assistance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
13. Total Grant Funds Requested (add lines 9-12)	\$3,159.70	\$132,269.39	\$288,802.35	\$0.00	\$424,231.44
14. Funds from other sources used to support the State Plan	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
15. Total Statewide Budget (add lines 13-14)	\$3,159.70	\$132,269.39	\$288,802.35	\$0.00	\$424,231.44

Columns (a) through (d): For each grant year for which funding is requested, show the total amount requested for each applicable budget category.
 Column (e): Show the total amount requested for all grant years.
 Line 6: Show the amount of funds allocated through contracts with vendors for products to be acquired and/or professional services to be provided. A State may apply its indirect cost rate only against the first \$25,000 of each contract included in line 6.
 Line 10: If the State plans to request reimbursement for indirect costs, complete the Indirect Cost Information form at the end of this Budget section. Note that indirect costs are not allocated to line 11.
 Line 11: Show the amount of funds to be distributed to localities, Early Learning Intermediary Organizations, Participating Programs, and other partners through MOUs, interagency agreements, contracts, or other mechanisms authorized by State procurement laws. States are not required to provide budgets for how the localities, Early Learning Intermediary Organizations, Participating Programs, and other partners will use these funds. However, the Departments expect that, as part of the administration and oversight of the grant, States will monitor and track all expenditures to ensure that localities, Early Learning Intermediary Organizations, Participating Programs, and other partners spend these funds in accordance with the State Plan.
 Line 12: The State must set aside \$400,000 from its grant funds for the purpose of participating in RTT–ELC grantee technical assistance activities facilitated by ED or HHS. This is primarily to be used for travel and may be allocated to Participating State Agencies evenly across the four years of the grant.
 Line 13: This is the total funding requested under this grant.
 Line 14: Show total funding from other sources (including Federal, State, private, or local) being used to support the State Plan and describe these funding sources in the budget narrative.

Project 14 Budget Narrative

Please provide a brief explanation of any discrepancies between the State's approved budget and its total expenditures for the reporting year.

Project 14 Budget Explanation of Changes

Please describe any substantive changes that you anticipate to the State RTT-ELC budget in the upcoming year.

This project will be completed as planned in 2015.

Budget Table: Project 15 – K-3 Assessment

Budget Table: Project 15					
Budget Categories	Grant Year 1 (a)	Grant Year 2 (b)	Grant Year 3 (c)	Grant Year 4 (d)	Total (e)
1. Personnel	\$109,867.33	\$744,075.73	\$827,184.18	\$0.00	\$1,681,127.24
2. Fringe Benefits				\$13,166.86	\$221,363.81
3. Travel	\$3,462.60	\$97,297.16	\$84,864.29	\$0.00	\$185,624.05
4. Equipment	\$13,573.00	\$9,749.41	\$0.00	\$0.00	\$23,322.41
5. Supplies	\$934.94	\$3,079.09	\$1,169.23	\$0.00	\$5,183.26
6. Contractual	\$14,918.71	\$275,406.42	\$625,235.84	\$0.00	\$915,560.97
7. Training Stipends	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
8. Other	\$0.00	\$7,709.83	\$7,588.01	\$0.00	\$15,297.84
9. Total Direct Costs (add lines 1-8)	\$155,923.44	\$1,358,681.45	\$1,790,940.93	\$0.00	\$3,305,545.82
10. Indirect Costs	\$0.00	\$0.00	\$103,148.78	\$0.00	\$103,148.78
11. Funds to be distributed to localities, Early Learning Intermediary Organizations, Participating Programs and other partners	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
12. Funds set aside for participation in grantee technical assistance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
13. Total Grant Funds Requested (add lines 9-12)	\$155,923.44	\$1,358,681.45	\$1,894,089.71	\$0.00	\$3,408,694.60
14. Funds from other sources used to support the State Plan	\$120,000.00	\$120,000.00	\$120,000.00	\$0.00	\$360,000.00
15. Total Statewide Budget (add lines 13-14)	\$275,923.44	\$1,478,681.45	\$2,014,089.71	\$0.00	\$3,768,694.60

Columns (a) through (d): For each grant year for which funding is requested, show the total amount requested for each applicable budget category.

Column (e): Show the total amount requested for all grant years.

Line 6: Show the amount of funds allocated through contracts with vendors for products to be acquired and/or professional services to be provided. A State may apply its indirect cost rate only against the first \$25,000 of each contract included in line 6.

Line 10: If the State plans to request reimbursement for indirect costs, complete the Indirect Cost Information form at the end of this Budget section. Note that indirect costs are not allocated to line 11.

Line 11: Show the amount of funds to be distributed to localities, Early Learning Intermediary Organizations, Participating Programs, and other partners through MOUs, interagency agreements, contracts, or other mechanisms authorized by State procurement laws. States are not required to provide budgets for how the localities, Early Learning Intermediary Organizations, Participating Programs, and other partners will use these funds. However, the Departments expect that, as part of the administration and oversight of the grant, States will monitor and track all expenditures to ensure that localities, Early Learning Intermediary Organizations, Participating Programs, and other partners spend these funds in accordance with the State Plan.

Line 12: The State must set aside \$400,000 from its grant funds for the purpose of participating in RTT–ELC grantee technical assistance activities facilitated by ED or HHS. This is primarily to be used for travel and may be allocated to Participating State Agencies evenly across the four years of the grant.

Line 13: This is the total funding requested under this grant.

Line 14: Show total funding from other sources (including Federal, State, private, or local) being used to support the State Plan and describe these funding sources in the budget narrative.

Project 15 Budget Narrative

Please provide a brief explanation of any discrepancies between the State's approved budget and its total expenditures for the reporting year.

This project is on track and expenditures in most budget categories are aligned with the initially approved annual budget. Carry forward from Year 1 and Year 2 will continue to need to be carried forward.

Project 15 Budget Explanation of Changes

Please describe any substantive changes that you anticipate to the State RTT-ELC budget in the upcoming year.

NC plans to submit an amendment request for a no-cost extension for Project 15 to allow this complex project time to be completed effectively. Carry forward of unexpended funds continues to be required.

Budget Table: Project 16 – Family Engagement

Budget Table: Project 16					
Budget Categories	Grant Year 1 (a)	Grant Year 2 (b)	Grant Year 3 (c)	Grant Year 4 (d)	Total (e)
1. Personnel	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2. Fringe Benefits				\$0.00	\$0.00
3. Travel	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4. Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5. Supplies	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
6. Contractual	\$50,750.00	\$460,136.48	\$679,173.00	\$0.00	\$1,190,059.48
7. Training Stipends	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
8. Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
9. Total Direct Costs (add lines 1-8)	\$50,750.00	\$460,136.48	\$679,173.00	\$0.00	\$1,190,059.48
10. Indirect Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
11. Funds to be distributed to localities, Early Learning Intermediary Organizations, Participating Programs and other partners	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
12. Funds set aside for participation in grantee technical assistance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
13. Total Grant Funds Requested (add lines 9-12)	\$50,750.00	\$460,136.48	\$679,173.00	\$0.00	\$1,190,059.48
14. Funds from other sources used to support the State Plan	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
15. Total Statewide Budget (add lines 13-14)	\$50,750.00	\$460,136.48	\$679,173.00	\$0.00	\$1,190,059.48

Columns (a) through (d): For each grant year for which funding is requested, show the total amount requested for each applicable budget category.

Column (e): Show the total amount requested for all grant years.

Line 6: Show the amount of funds allocated through contracts with vendors for products to be acquired and/or professional services to be provided. A State may apply its indirect cost rate only against the first \$25,000 of each contract included in line 6.

Line 10: If the State plans to request reimbursement for indirect costs, complete the Indirect Cost Information form at the end of this Budget section. Note that indirect costs are not allocated to line 11.

Line 11: Show the amount of funds to be distributed to localities, Early Learning Intermediary Organizations, Participating Programs, and other partners through MOUs, interagency agreements, contracts, or other mechanisms authorized by State procurement laws. States are not required to provide budgets for how the localities, Early Learning Intermediary Organizations, Participating Programs, and other partners will use these funds. However, the Departments expect that, as part of the administration and oversight of the grant, States will monitor and track all expenditures to ensure that localities, Early Learning Intermediary Organizations, Participating Programs, and other partners spend these funds in accordance with the State Plan.

Line 12: The State must set aside \$400,000 from its grant funds for the purpose of participating in RTT–ELC grantee technical assistance activities facilitated by ED or HHS. This is primarily to be used for travel and may be allocated to Participating State Agencies evenly across the four years of the grant.

Line 13: This is the total funding requested under this grant.

Line 14: Show total funding from other sources (including Federal, State, private, or local) being used to support the State Plan and describe these funding sources in the budget narrative.

Project 16 Budget Narrative

Please provide a brief explanation of any discrepancies between the State's approved budget and its total expenditures for the reporting year.

This project is on track to be completed and the budget expended in 2015.

Project 16 Budget Explanation of Changes

Please describe any substantive changes that you anticipate to the State RTT-ELC budget in the upcoming year.

This project will be completed as planned in 2015.

Budget Table: Project 17 – Family Strengthening

Budget Table: Project 17					
Budget Categories	Grant Year 1 (a)	Grant Year 2 (b)	Grant Year 3 (c)	Grant Year 4 (d)	Total (e)
1. Personnel	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2. Fringe Benefits				\$0.00	\$0.00
3. Travel	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4. Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5. Supplies	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
6. Contractual	\$0.00	\$0.00	\$1,746,159.68	\$0.00	\$1,746,159.68
7. Training Stipends	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
8. Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
9. Total Direct Costs (add lines 1-8)	\$0.00	\$0.00	\$1,746,159.68	\$0.00	\$1,746,159.68
10. Indirect Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
11. Funds to be distributed to localities, Early Learning Intermediary Organizations, Participating Programs and other partners	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
12. Funds set aside for participation in grantee technical assistance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
13. Total Grant Funds Requested (add lines 9-12)	\$0.00	\$0.00	\$1,746,159.68	\$0.00	\$1,746,159.68
14. Funds from other sources used to support the State Plan	\$72,475.00	\$72,475.00	\$72,475.00	\$0.00	\$217,425.00
15. Total Statewide Budget (add lines 13-14)	\$72,475.00	\$72,475.00	\$1,818,634.68	\$0.00	\$1,963,584.68

Columns (a) through (d): For each grant year for which funding is requested, show the total amount requested for each applicable budget category.

Column (e): Show the total amount requested for all grant years.

Line 6: Show the amount of funds allocated through contracts with vendors for products to be acquired and/or professional services to be provided. A State may apply its indirect cost rate only against the first \$25,000 of each contract included in line 6.

Line 10: If the State plans to request reimbursement for indirect costs, complete the Indirect Cost Information form at the end of this Budget section. Note that indirect costs are not allocated to line 11.

Line 11: Show the amount of funds to be distributed to localities, Early Learning Intermediary Organizations, Participating Programs, and other partners through MOUs, interagency agreements, contracts, or other mechanisms authorized by State procurement laws. States are not required to provide budgets for how the localities, Early Learning Intermediary Organizations, Participating Programs, and other partners will use these funds. However, the Departments expect that, as part of the administration and oversight of the grant, States will monitor and track all expenditures to ensure that localities, Early Learning Intermediary Organizations, Participating Programs, and other partners spend these funds in accordance with the State Plan.

Line 12: The State must set aside \$400,000 from its grant funds for the purpose of participating in RTT–ELC grantee technical assistance activities facilitated by ED or HHS. This is primarily to be used for travel and may be allocated to Participating State Agencies evenly across the four years of the grant.

Line 13: This is the total funding requested under this grant.

Line 14: Show total funding from other sources (including Federal, State, private, or local) being used to support the State Plan and describe these funding sources in the budget narrative.

Project 17 Budget Narrative

Please provide a brief explanation of any discrepancies between the State's approved budget and its total expenditures for the reporting year.

Expenditures below budget for Project 17 continue to be the result of the delayed start due to the prolonged planning needed to launch the projects.

Project 17 Budget Explanation of Changes

Please describe any substantive changes that you anticipate to the State RTT-ELC budget in the upcoming year.

With both projects currently in full implementation and prioritized by the Transformation Zone counties, NC plans to submit an amendment request to move funds from Project 6 (the Infant Toddler Expansion Grant in the Transformation Zone) to the Family Connects project, and request a no-cost extension for Family Connects and Triple P.

Budget Table: Project 18 – Partnership Initiatives

Budget Table: Project 18					
Budget Categories	Grant Year 1 (a)	Grant Year 2 (b)	Grant Year 3 (c)	Grant Year 4 (d)	Total (e)
1. Personnel	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2. Fringe Benefits				\$0.00	\$0.00
3. Travel	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4. Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5. Supplies	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
6. Contractual	\$0.00	\$1,593,161.34	\$2,452,883.46	\$0.00	\$4,046,044.80
7. Training Stipends	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
8. Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
9. Total Direct Costs (add lines 1-8)	\$0.00	\$1,593,161.34	\$2,452,883.46	\$0.00	\$4,046,044.80
10. Indirect Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
11. Funds to be distributed to localities, Early Learning Intermediary Organizations, Participating Programs and other partners	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
12. Funds set aside for participation in grantee technical assistance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
13. Total Grant Funds Requested (add lines 9-12)	\$0.00	\$1,593,161.34	\$2,452,883.46	\$0.00	\$4,046,044.80
14. Funds from other sources used to support the State Plan	\$2,940,000.00	\$2,940,000.00	\$2,940,000.00	\$0.00	\$8,820,000.00
15. Total Statewide Budget (add lines 13-14)	\$2,940,000.00	\$4,533,161.34	\$5,392,883.46	\$0.00	\$12,866,044.80

Columns (a) through (d): For each grant year for which funding is requested, show the total amount requested for each applicable budget category.
 Column (e): Show the total amount requested for all grant years.
 Line 6: Show the amount of funds allocated through contracts with vendors for products to be acquired and/or professional services to be provided. A State may apply its indirect cost rate only against the first \$25,000 of each contract included in line 6.
 Line 10: If the State plans to request reimbursement for indirect costs, complete the Indirect Cost Information form at the end of this Budget section. Note that indirect costs are not allocated to line 11.
 Line 11: Show the amount of funds to be distributed to localities, Early Learning Intermediary Organizations, Participating Programs, and other partners through MOUs, interagency agreements, contracts, or other mechanisms authorized by State procurement laws. States are not required to provide budgets for how the localities, Early Learning Intermediary Organizations, Participating Programs, and other partners will use these funds. However, the Departments expect that, as part of the administration and oversight of the grant, States will monitor and track all expenditures to ensure that localities, Early Learning Intermediary Organizations, Participating Programs, and other partners spend these funds in accordance with the State Plan.
 Line 12: The State must set aside \$400,000 from its grant funds for the purpose of participating in RTT-ELC grantee technical assistance activities facilitated by ED or HHS. This is primarily to be used for travel and may be allocated to Participating State Agencies evenly across the four years of the grant.
 Line 13: This is the total funding requested under this grant.
 Line 14: Show total funding from other sources (including Federal, State, private, or local) being used to support the State Plan and describe these funding sources in the budget narrative.

Project 18 Budget Narrative

Please provide a brief explanation of any discrepancies between the State's approved budget and its total expenditures for the reporting year.

Expenditures for this project are aligned with the initially approved annual budget. Carry forward was not fully expended, but continues to be needed.

Project 18 Budget Explanation of Changes

Please describe any substantive changes that you anticipate to the State RTT-ELC budget in the upcoming year.

NC plans to submit a no cost extension amendment request for this project.