PROJECT SCOPE

Independent Evaluation of North Carolina's Rural Child Care Pilot Initiatives

Partner Organizations: State of North Carolina, Governor's Office and North Carolina Department of Health and Human Services, Division of Child Development and Early Education (DCDEE)

Background

North Carolina continues to face significant challenges ensuring that families, particularly those in rural communities, have access to sustainable child care options. Recent analysis has identified gaps between licensed child care capacity, operational capacity, and actual enrollment, while also finding that family child care homes and small- to mid-sized centers are among the providers most financially vulnerable to closure.

In 2026, North Carolina is preparing to implement **two complementary rural child care pilots that test different strategies for increasing child care access and capacity**.

The Rural Child Care Business Sustainability Pilot, led by the Governor's Office, will operate in approximately three rural communities and focus primarily on **strengthening existing child care providers**. Participating providers will receive an integrated package of child care management technology, standardized business sustainability coaching, and operational capacity grants intended to improve financial sustainability, increase enrollment and operational capacity, and reduce administrative burden.

The Family Child Care Home Direct Support Pilot, established by the General Assembly in Session Law 2026-41, will operate through three Councils of Governments representing the Coastal Plain, Piedmont, and Mountain regions. This two-year pilot focuses primarily on **creating new child care supply** by recruiting prospective family child care home providers, supporting them through business planning and startup, implementing technology and substitute teacher supports, and providing ongoing mentorship intended to promote sustainability.

New Child Care Subsidy Reimbursement Rates: Both pilots will also be implemented during a significant change in North Carolina's child care financing landscape. Beginning in October 2026, new child care subsidy reimbursement rates—including the establishment of a statewide reimbursement rate floor—will increase reimbursement for many providers, with particularly significant impacts anticipated for providers in rural and historically lower-rate counties. Because these changes could independently affect provider revenue, financial sustainability, enrollment, staffing, and operational capacity, the evaluation of both pilots should explicitly account for the implementation of the new

subsidy rates. The evaluator should assess the extent to which observed outcomes may be attributable to the pilot interventions, changes in subsidy reimbursement, or the interaction between the two, and examine whether the pilots provide additional benefits beyond those associated with the new rate structure.

Together, the two pilots present a unique opportunity for North Carolina to establish a **coordinated rural child care learning agenda** that examines multiple approaches to increasing access rather than evaluating each investment in isolation.

Additionally, a **statewide family survey** will gather information directly from families with young children about their child care needs, preferences, current arrangements, and barriers to accessing care. The survey will include **intentional oversampling in the six pilot communities**, allowing North Carolina to compare what families need with available child care supply and better understand where—and why—misalignment exists.

Project Purpose

The Governor's Office and DCDEE seek a **single independent evaluation partner** to develop and implement a unified evaluation framework across both rural child care pilots.

The evaluation should determine not simply whether each pilot achieved its intended outcomes, but **what North Carolina can learn across the two approaches about how best to expand and sustain child care access in rural communities.**

The evaluation should examine:

- whether strengthening existing providers increases sustainable operational capacity;
- whether recruiting and launching new family child care homes increases sustainable operational capacity;
- the implementation conditions associated with success under each approach;
- how outcomes vary across communities and provider types;
- the relative cost and cost-effectiveness of the approaches; and
- what combination of strategies may be appropriate for statewide expansion.

The evaluation should recognize that the pilots have different designs, populations, interventions, and statutory requirements. The goal is **not to create an artificial head-to-head experiment**, but to establish common measures where appropriate and generate credible evidence about what each model accomplishes, at what cost, and under what conditions.

Yes. I'd add one sentence that makes it an explicit part of the evaluator's charge, especially because otherwise it could become a major confounding factor when interpreting results.

Because both pilots will occur alongside implementation of North Carolina's new child care subsidy reimbursement rates and statewide rate floor, the evaluation should account for these system-level changes when assessing pilot outcomes and, to the extent possible, distinguish the effects of the pilot interventions from those associated with increased subsidy reimbursement.

Throughout the evaluation, findings should clearly distinguish between results supported by causal or quasi-experimental evidence, descriptive findings, implementation findings, and emerging hypotheses. Policymakers and funders considering statewide scale decisions need to understand not just what the pilots found but how confident they should be in those findings. The evaluator is expected to be explicit about the strength of evidence supporting each conclusion, including any limitations arising from pilot design, data availability, or implementation variation.

Key Evaluation Questions

The selected evaluator should refine the evaluation questions in collaboration with the Governor's Office and DCDEE. At a minimum, the evaluation should address:

Impact and Outcomes

1. To what extent does each pilot increase the number of **operational child care slots available to families**?
2. To what extent are new or expanded slots actually filled by families?
3. What changes occur in child care provider financial sustainability, enrollment, staffing, and operational capacity?
4. Are newly created or strengthened child care providers sustained over time?
5. What impact do the pilots have on infant and toddler care, nontraditional-hour care, and other identified high-need services?
6. In the FCCH Direct Support Pilot: To what extent did providers who completed the startup and launch process reach operational capacity and remain open at 12 and 24 months?
7. In the FCCH Direct Support Pilot: Did access to substitute teacher supports reduce provider closures or operational disruptions due to staffing gaps?
8. To what extent do the new subsidy reimbursement rates and statewide rate floor improve provider financial sustainability, operational capacity, and enrollment, particularly for rural providers that experience the largest reimbursement increases?

Implementation

1. Were the two models implemented as intended?
2. What implementation conditions appear to facilitate or hinder success?
3. How do outcomes vary by geography, provider type, community characteristics, and implementation approach?
4. What do participating providers, coaches, implementation partners, and families identify as the most important strengths and challenges of each model?

Cost and Investment

1. What is the cost per provider served?
2. What is the cost per additional operational slot created?
3. What is the cost per additional infant/toddler slot created?
4. What is the cost per provider launched or stabilized?
5. How do costs and outcomes compare across the different approaches?

Statewide Scale

1. What does North Carolina need to believe, based on the evidence, to justify scaling either or both approaches?
2. **Which strategy appears best suited to which community conditions?**
3. When should the state invest in strengthening existing supply, creating new supply, or deploying both approaches?
4. What infrastructure, funding, workforce, data systems, and local implementation capacity would statewide expansion require?

Phase 1: Evaluation Design and Pilot Alignment

Description

The evaluator should be engaged as early as possible to establish a common evaluation framework **before earliest stages of implementation**.

The evaluator will work with the Governor's Office, DCDEE, Councils of Governments, pilot funders, and other relevant partners to identify where the two pilots can use common definitions, measures, data collection processes, and reporting requirements while preserving each pilot's distinct design and statutory requirements.

Phase 1 deliverables, particularly the common measures, data specifications, and comparison condition designs, must be substantially complete before provider enrollment begins in either pilot and before contracts go out to local implementation partners or vendors.

For the Business Sustainability Pilot, this sequencing is a non-negotiable condition of the engagement. For the FCCH Direct Support Pilot, the evaluator should engage immediately with DCDEE and the Councils of Governments to identify what evaluation requirements can still be built into implementation before providers are enrolled, and document clearly any constraints imposed by the pilot's existing statutory or contractual commitments.

Respondents should be explicit in their proposals about how they would approach the FCCH pilot's evaluation given its statutory requirements and implementing structure. The Councils of Governments are implementing entities established by Session Law 2026-41, not contractors selected by the

evaluation partner, and the pilot's design is not fully within the evaluator's control. Proposals should describe: how the evaluator would establish the data collection requirements and common measures needed for rigorous evaluation within those constraints; how they would handle a situation where FCCH pilot implementation diverges significantly from what evaluation design requires; and what they would be transparent about in the final report regarding limitations on causal claims arising from the FCCH pilot's design.

Key Activities

The evaluator will:

- Conduct an **evaluability assessment of both pilots**, identifying what can and cannot credibly be measured or compared.
- Assess FCCH pilot evaluation constraints, identifying what data collection and common measures can be built into implementation given statutory and contractual commitments, and documenting limitations on causal claims arising from the pilot's design.
- Develop an overarching **theory of change and unified evaluation framework** encompassing both strategies.
- Identify a core set of **common outcome measures and definitions** across both pilots.
- Design and assess the feasibility of a comparison condition for each pilot that requires active data collection. Evaluators must propose at least one comparison approach for each pilot, specify what data would be collected, from whom, at what frequency, and by whom, and assess the feasibility and cost of that data collection within the overall budget.
- Establish baseline measures prior to intervention wherever feasible.
- Identify additional measures unique to each pilot.
- Develop a common cost and cost-effectiveness methodology.
- Specify data requirements, including defining the variables, units of analysis, collection frequency, and data sources required to answer the evaluation questions for each pilot
    - Specify which data elements require provider consent and what that consent must cover
    - Identify privacy implications the state will need to address
    - Advise on data governance requirements and review state drafted agreements to confirm they will produce the data the evaluation needs
- Identify opportunities to align data collection and reporting requirements within DCDEE's implementation of the legislatively mandated pilot.
- Develop a qualitative research strategy, specifying approach, sampling rationale, and minimum scope across both pilots, including how qualitative findings will be integrated with quantitative outcome data.
- Establish a methodology for incorporating findings from the separate **statewide family child care needs and preferences survey**, including oversampled findings from the six pilot communities.

Phase 1 Deliverables

- Unified Evaluation Design Report, including FCCH pilot evaluation constraints
- Cross-Pilot Logic Model/Theory of Change
- Common Measures and Data Dictionary
- Pilot-Specific Evaluation Frameworks
- Baseline Data and Data Quality Assessment
- Cost-Effectiveness Methodology
- Data Governance and Data-Sharing Plan
- Final Evaluation and Reporting Schedule

Phase 2: Implementation Monitoring and Outcome Evaluation

Description

During implementation, the evaluator will monitor both pilots, analyze outcomes, identify implementation lessons, and provide periodic findings to support continuous improvement.

The evaluator should serve both as a **formative learning partner** during implementation and as an **independent summative evaluator** at the conclusion of the pilots, consistent with the approach contemplated in the existing evaluation SOW.

Key Activities

Monitor implementation fidelity. Assess whether each pilot is implemented as designed and document differences in implementation across the six communities.

Conduct ongoing outcome analysis. Track common and pilot-specific measures including enrollment, operational capacity, vacancies, infant/toddler capacity, provider creation, provider retention, financial sustainability, and other agreed-upon outcomes.

Conduct qualitative research. Interview participating providers, local implementation partners, COGs, coaches, and other stakeholders to understand why outcomes differ across communities and approaches.

Integrate family survey findings. Incorporate statewide and oversampled pilot-community findings from the separately procured family survey to understand whether available or newly created child care aligns with families' needs, preferences, schedules, and ability to access care.

Conduct cost-effectiveness analysis. Calculate comparable cost-per-outcome measures across the two pilots.

Provide formative findings. Identify implementation challenges and emerging lessons that can inform course corrections while the pilots are underway.

Develop recommendations for scale. Identify which approaches appear most promising, under which conditions, and what would be required to implement them statewide.

Cross-Pilot Learning Framework

The evaluator should help North Carolina answer:

What strategy should North Carolina deploy, in which communities, to most effectively and sustainably increase child care access?

Respondents should be clear in their proposals about the methodological limits of cross-pilot comparison. The two pilots differ in population, intervention, implementing entity, statutory structure, and geography. Cross-pilot analysis can generate useful descriptive and contextual insights, and the cost-effectiveness comparison is particularly valuable, but it cannot support causal claims about which approach "works better" without overstating comparability. The evaluation should be explicit about this distinction throughout, and the final report should clearly identify which cross-pilot findings are supported by rigorous evidence and which are informed hypotheses requiring further testing. The evaluation should also point towards the conditions under which each pilot might be appropriate to scale.

For example, the evaluation may identify communities where:

Existing capacity + low utilization → prioritize provider stabilization, technology, coaching, and activation of existing capacity.

Insufficient existing supply → prioritize recruitment and creation of new family child care homes.

Both conditions exist → consider a combined strategy.

This framework should ultimately help the state move toward **data-informed targeting of child care investments rather than a one-size-fits-all statewide approach.**

Deliverables

The evaluator should produce:

- Quarterly or semiannual cross-pilot learning briefs

- Midpoint evaluation and implementation report
- Pilot-specific outcome findings
- Cross-pilot cost-effectiveness analysis
- Integration of statewide family survey findings
- Final comprehensive evaluation report
- Executive summary for policymakers and philanthropic partners
- **North Carolina Rural Child Care Investment and Scale Framework**
- Presentation of findings to the Governor's Office, DCDEE, legislative stakeholders, funders, and other partners as appropriate

The final report should clearly distinguish between **findings supported by causal or quasi-experimental evidence, descriptive findings, implementation findings, and emerging hypotheses** so that policymakers understand the strength of evidence supporting each recommendation.

Timeline

Ideally, the evaluator will be selected in **September 2026** and begin work immediately so that evaluation requirements can inform implementation and data collection before the pilots are fully launched.

Fall 2026 — Evaluator selected; evaluability assessment; common measures and data requirements established

Late 2026/Early 2027 — Baseline data collection and pilot launch

2027 — Year 1 implementation monitoring, data analysis, qualitative research, and formative learning

2028 — Year 2 implementation, sustainability measurement, cross-pilot analysis, and continued evaluation

Early 2029 — Final evaluation, cost-effectiveness analysis, and statewide scale recommendations

The evaluator should propose refinements to this timeline based on the final implementation schedules of both pilots.

Budget

This project is being shared with prospective funders and will be a funded project. The budget range is $300,000 to $500,000. Proposals that cannot be delivered within this budget should propose what could be included within the budget, including a reduced scope and specify explicitly what is excluded and what the implications are for the strength of evidence produced, along with any incremental costs you would propose to lead to a stronger evaluation.

Provider Qualifications

Respondents should demonstrate:

- experience designing and conducting **multi-site and multi-intervention evaluations**;
- expertise in quasi-experimental or comparison-group research design;
- mixed-methods evaluation capacity;
- cost-effectiveness analysis;
- early childhood or child care research;
- experience evaluating government demonstration projects;
- experience integrating administrative, operational, survey, and qualitative data;
- ability to evaluate programs with **different intervention designs under a common learning framework**; and
- ability to communicate complex findings clearly to policymakers, legislators, state agencies, and philanthropic audiences.

Familiarity with North Carolina's child care system and DCDEE administrative data is preferred but not required.

Proposal Requirements

Respondents should include:

- proposed methodology for evaluating both pilots;
- approach to establishing common and pilot-specific measures;
- proposed comparison condition(s);
- approach to cross-pilot analysis without overstating causal comparability;
- methodology for cost-effectiveness analysis;
- approach to integrating statewide family survey findings;
- qualitative research plan, including sampling approach and strategy for integrating with quantitative outcome data;
- data management and governance approach;
- staffing plan;
- project timeline;
- detailed budget by phase;
- examples of comparable evaluations; and
- description of experience producing evidence used to inform statewide policy or scale decisions.