RAISE THE ROOF, NC HAS A NEW FLOOR!

We're celebrating North Carolina's increased subsidy reimbursement rates made possible by the new child care subsidy reimbursement rate floor – or minimum reimbursement!

WHAT IS THE FLOOR?

The subsidy floor is a first step toward modernizing NC's reimbursement based on the true cost of providing quality care. Higher reimbursement rates help providers better cover the costs – including teacher wages – of operating a child care business. The floor especially benefits providers in rural counties where reimbursement rates have fallen further behind those in urban counties – but all providers will benefit.

HOW WAS IT BUILT?

The NC budget provides **$97 million in recurring federal Child Care and Development Fund (CCDF) dollars** to update subsidy reimbursement rates and fund the new statewide floor. Beginning **October 1, 2026**, eligible 3-, 4-, and 5-star licensed child care centers and family child care homes will receive the higher of the 2023 Market Rate or the new statewide floor for children from birth through age 12. Payments are not retroactive before October 1, 2026.

WHAT WILL BE THE REIMBURSEMENT RATE FOR MY CENTER?

We must wait and see. DCDEE will release final rates by **October 1, 2026**. Based on research from advocates, we expect that most eligible providers will benefit from the new reimbursement rates when they go into effect.