

“Play gives children a chance to practice what they are learning.” Fred Rogers

The NC Pre-K program

Pre-kindergarten (Pre-k) is an early childhood education program for children around 4 years old to attend before entering kindergarten. It is designed to help prepare children academically and socially for success in kindergarten and later years. [North Carolina's Pre-K Program](#), NC Pre-K (named More at Four from 2001 - 2011) was launched in 2001 to serve at-risk 4-year-olds with the goal of ensuring access to high quality early learning across the state. The program requirements are built on the five developmental domains identified by the National Education Goals Panel as being critical to children's success as they enter school.

- Approaches to play and learning
- Emotional and social development
- Health and physical development
- Language development and communication
- Cognitive development

The NC Pre-K program is provided through public schools, Head Start programs, and both non-profit and private childcare centers. The NC Pre-K program requirements are designed to ensure that participating children receive a high-quality program in every local program throughout the state. For example, all NC Pre-K programs are required to have a 1:9 staff/child ratio. In its [State of Preschool 2021](#) report, the National Institute for Early Education Research (NIEER) reported that [North Carolina met 8 of 10 benchmarks](#) on its Quality Standards Checklist. NC met standards in areas such as early learning development standards, curriculum supports, teacher degree requirements and specialized training, continuous improvements, class size, and staff/child ratio. The only two areas where NC fell short were in assistant teacher degree requirement and number of hours required for professional development.

To be [eligible for the NC Pre-K program](#), a child must be 4-years-old by August 31st of the year they enter and must come from a family whose income is equal to or less than 75% of the state median. Up to 20% of children can come from a household with incomes above that level if the child falls in one of the following high risk categories: developmental delay, identified disability, chronic health condition, or limited English proficiency. According to [myFutureNC](#), in 2021 an estimated 51% of *eligible* 4-year-olds in NC were enrolled in NC Pre-K (some uncertainty due to COVID) placing 49% of NC's *eligible* 4-year-olds at risk.

The Importance of Pre-K

The preschool years of a young child's life are a crucial time in their social, emotional and cognitive development. Participating in a high-quality early education program can greatly contribute to children's later success, though experiences both before and after the pre-k years and the quality of the Pre-K program heavily influence the effect of the Pre-K experience. [Decades of research](#) have shown [positive effects of high-quality pre-k programs](#).

Pre-K is a crucial stage in a child's development

- Children who attend preschool gain confidence by learning the expectations and routines of school through close communication with other children.
- Pre-K is a place where children learn to socialize, make decisions, interact with others, and negotiate—all of which are important to child development.
- According to an annual assessment, NC Pre-K students made significant gains from pre-K through kindergarten in language and literacy skills, math skills, general knowledge, and behavior.

Children who attend Pre-K programs are more self-sufficient in the future

- Children who went to preschool were consistently employed, more likely to have full time jobs, less likely to rely on public assistance, resulting in overall positive future outcomes.
- Children who attend preschool are more likely to have a savings account, own a house and a car.

Attending Pre-k improves individual outcomes and reduces achievement and skill gaps

- Research shows that state Pre-K programs have positive impacts on children’s cognitive skills, including both pre-reading and pre-math skills.
- Enrollment in a high-quality Pre-K program helps improve children’s reading proficiency by third grade. Proficiency in reading by third grade impacts a child’s entire educational experience and is correlated to graduating on time as well as attending college.
- Children who attended pre-k usually have a higher grade point average and are more likely to graduate high school and attend college.
- Fundamental skills such as eye contact, self-confidence, work efficiency, attention span, and control of temper are developed during early childhood and are enriched in Pre-K.
- Latino children and other dual language learners greatly benefit from NC Pre-K, making gains in the program at a greater rate than other students.

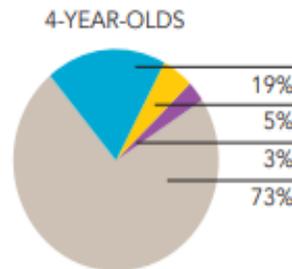
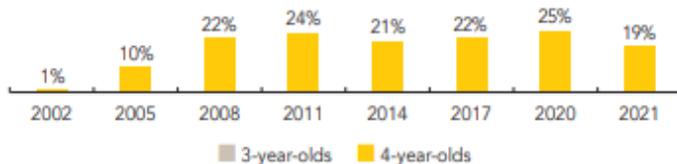
Pre-K is a good investment

- Children who attended pre-k are less likely to develop alcohol or drug problems, commit a felony, and go to prison. They are half as likely to be arrested.
- Every \$1 invested in pre-k saves taxpayers up to \$13 in future costs in incarceration, education, tax collections increases, and welfare.
- Some pre-k programs have been shown to offer an annual rate of return of 7-10%; in comparison, stocks have an average return of 5.8% per year.
- Investment in NC pre-k pays off by reducing the likelihood that a child will be placed into special education classrooms showing decreases of 29% in 3rd grade and increasing to 48% in 5th grade. Special education costs nearly twice as much as regular classroom education.
- Investing in NC Pre-K has positive effects for children not directly enrolled in the program.

Pre-K Enrollment in NC

According to NIEER, in the 2020-2021 school year, 23,718 four-year olds were enrolled in public preschool in NC, which represents a drop from 25% to 19%. Compared to states across the nation, NC ranks 27th for pre-k access and 19th for state spending on pre-k programs.

In addition to pre-k, 15,750 (5%) are enrolled in federally funded Head Start programs and 8,410 (3%) in special education programs.

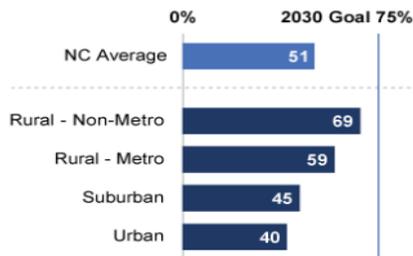


Combined, these enrollments represent 27% of North Carolina’s four-year old children.

The percentage of children eligible for NC Pre-K who receive services is higher than the overall state pre-k enrollment average, with [51% of eligible students](#) attending some form of NC Pre-K program. However, because the eligible children are from low-income households and are the children most in need of the social and academic supports provided by the high-quality programs, leaving 49% of the eligible children unserved is a powerful call to action.

Who attends the NC Pre-K Program?

% of income-eligible 4-year-olds who could be served by the NC Pre-K Program, 2020-2021



Source: Carolina Demography estimates using data from NC DCDEE, U.S. Census Bureau, and NC Office of State Budget and Management.

NC's goal is to have 75% of eligible four-year-olds in each NC county be enrolled in NC Pre-K. This goal is aligned with the [North Carolina Early Childhood Action Plan](#). Currently, **only 37 out of 100** counties are meeting this enrollment goal.

Unfortunately, the pandemic had a negative impact on both pre-k enrollments and state spending on pre-k children, with enrollments declining for most states, and many states also decreasing funding. NC witnessed some of the largest decreases in both areas as shown in the two maps below. Pre-k enrollment dropped between 21-30% and spending decreased more than 2%.

FIGURE 1: PRESCHOOL ENROLLMENT DECLINED IN NEARLY EVERY STATE

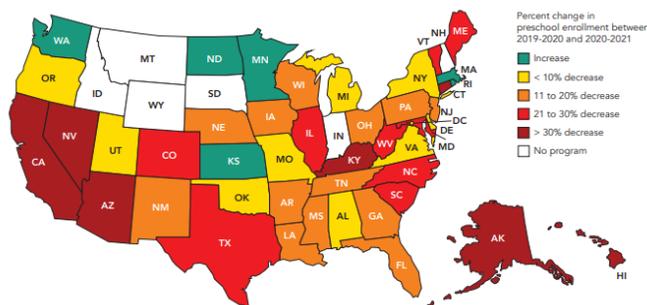
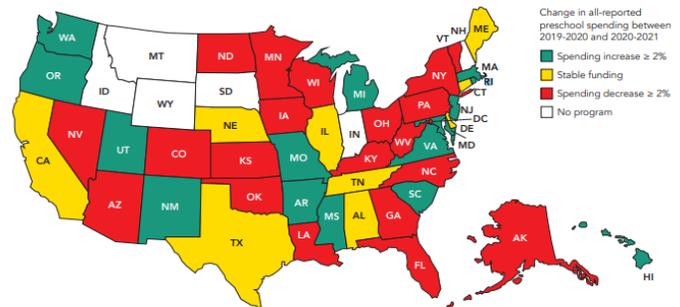


FIGURE 2: PRESCHOOL SPENDING DECLINED IN MANY STATES AS A RESULT OF THE PANDEMIC



Barriers to NC Pre-K Enrollment

In 2019 NIEER released [a report](#) looking at why eligible children were unable to enroll in NC Pre-K. They found that the overriding barrier to expanding access (i.e. enrollments) was that providers did not have the revenue or other resources to cover the cost of expansion. In NC's funding model, the state pays about 60% of the cost and the local community pays 40%. Many of the poorest NC counties don't have the funds to cover their portion, so they end up forfeiting the state funds. In the 2021-23 budget, legislators missed an opportunity to make the substantial, sustained investments needed for our state's long-term future. The budget allocated approximately \$20 million to Smart Start programming **but no new funds for NC Pre-K expansion**.

NIEER Recommendations for Expanding Pre-K Access

A primary recommendation from the NIEER report has been adopted by NC, which currently has a target of reaching 75% of eligible children statewide, with particular attention to underserved child populations and areas within the state where NC Pre-K services are least available. Additional recommendations include:

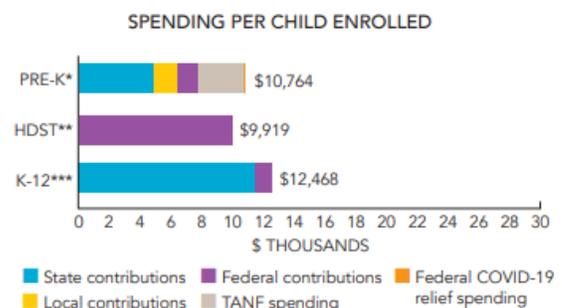
- Offer financial incentives for four- and five-star private centers, already providing pre-K for 4-year olds, to meet the higher-quality standards to become NC Pre-K sites, thereby allowing them to receive state funding. Increase reimbursement rates to account for rising costs and address specific barriers to expansion, including startup costs, thus incentivizing counties and providers to enroll at

least 75% of eligible children. Provide supplemental funds for NC Pre-K teacher compensation to achieve parity between private centers and public schools.

- Increase the artificially low, allowable amount of funding that can be used to cover administrative costs.
- Explore mechanisms to better utilize child care subsidy funds and NC Pre-K funds to serve the same child at private centers and public schools that provide NC Pre-K.
- Explore shifting NC Pre-K funding into the public-school funding formula in such a way that all children served can be jointly funded by state, local and federal dollars.

Funding for NC Pre-K comes from the North Carolina Education Lottery, federal funds, local funds, and state funds. State spending on NC Pre-K in 2021 was \$113,509,071 with an additional \$68,300,000 in Temporary Assistance for Needy Families (TANF) and \$3,581,732 in federal CARES funds. State spending per child enrolled was \$7,816, which is slightly higher than the national state average of \$7,011. All reported spending per child enrolled in NC in 2021 was \$10,764.

If the funding designated for pre-k in the Leandro plan were fully allocated, NC would be able to meet the needs of many more of its children. However, in the 2021-23 budget, **only 15%** of the funds needed for pre-k and early childhood services were allocated, and NO new funds for NC Pre-K expansion. Just 6% of the recommended funding for NC Pre-K rate increases was allocated (\$5.2M instead of \$71.9M).



How does Leandro Relate to the Push for Increased Pre-K Services?

The Leandro plan addresses eight critical needs to provide a sound, basic education for all children in NC including: monitoring the state’s compliance, adequate finance and resource allocation, qualified educators, qualified leaders, quality early education, excess support for high poverty schools, accountability, and support for regional and local school improvement.

Category	Leandro Plan	State Budget
Total	\$1,753,153,000	\$958,325,043
Pay Increases, K-12	\$662,800,000	\$522,349,196
New employees, K-12	\$399,400,000	\$299,199,898
Support for disadvantaged student groups, K-12	\$305,000,000	\$26,351,454
Career and college readiness, K-12	\$38,153,000	\$24,995,000
Educator preparation, recruitment & mentorship	\$77,600,000	\$46,071,256
Pre-k and early childhood services	\$230,200,000	\$39,358,239

State lawmakers are expected to identify resources to address funding, lack of sufficient Pre-K programs, and educator and principal training.

Under Leandro, the General Assembly should provide an additional 6.8 billion dollars across the next eight years to supply the resources for these critical needs. Moving forward to establish a more diversified educator staff in each school, high-quality early education, to be able to direct resources to students in economically disadvantaged schools, and establish a functioning plan to assist low-poverty schools.

North Carolina desperately needs adequate levels of funding to cover the cost of delivering a high-quality Pre-K program for all children in need.

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