

# NC Pre-K Works. Expand Access Now.

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***NC Pre-K ranks #1 in the nation and the benefits are clear. Yet over half of eligible children are not currently enrolled.<sup>1</sup>***

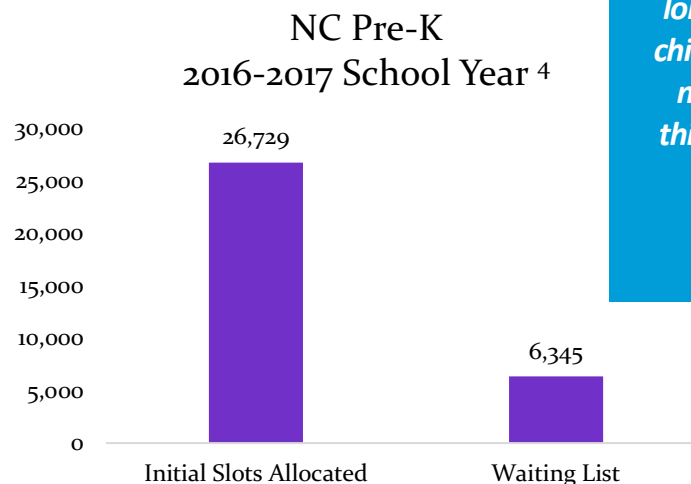
## NC PRE-K: THE BASICS

In 2001, North Carolina initiated NC Pre-K, a program designed to address the school readiness gap among four-year-olds from families with gross incomes at or below 75% of the state's median income. Funded primarily through state appropriations and the NC Education Lottery, the program allocates an average of about \$5,000 per child for eligible students in public and private schools, and Head Start Centers.<sup>3</sup> Key state program requirements, developed around national quality benchmarks, include:

- Lead teachers with a Bachelor's Degree and NC Birth Through Kindergarten licenses
- Assistant teachers with an Associate's Degree in Early Education
- Maximum Class size of 18, model classroom environments, individualized student teacher interaction, higher-quality programming versus standard classrooms

## ***Proven effective, but not available to all children in need***

The long waitlists for NC Pre-K enrollment across the state indicate that Pre-K demand is high, and it is North Carolina's job to satisfy this demand to provide these students, and the 66,000 total eligible four-year-olds, with access to high-quality early education.<sup>2</sup>



## SUCCESS METRICS

- 32% fewer students placed in special education classrooms<sup>2</sup>
- Higher math scores, equivalent to two months of classroom time<sup>2</sup>
- Fewer students repeating grades 3, 4, & 5<sup>2</sup>
- 78% of NC Pre-K centers earn the state's highest possible quality rating<sup>2</sup>

*“Quality preschool programs are critical to long-term success for our children and our state. We must continue to make this opportunity available to more children.”*  
—Governor Cooper

## ECONOMIC BENEFITS OF EARLY EDUCATION

- Statewide investment in a single 4-year-old cohort could save North Carolina \$46 million within four years.<sup>2</sup>
- The net lifetime earnings are 11% higher and 19% higher for males and females who attended preschool, respectively. These higher earnings lead to increased tax contributions.<sup>5</sup>
- One study found that incarceration rates were 8% lower for those who had attended preschool than those who had not.<sup>6</sup>
- Preschool attendance decreases dependence on welfare programs.<sup>6</sup>

### WORK CITED

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- 3 "NC Pre-K Issue Brief." *North Carolina School Board Association*, <https://www.ncsba.org/wp-content/uploads/2016/08/NCSBA-NC-Pre-K-Issue-Brief.pdf>.
- 4 Porter, Ford. "More NC Children in Pre-K This Fall Thanks to Funding Pushed by Gov. Cooper." NC Governor Roy Cooper, 29 Aug. 2017, <https://governor.nc.gov/news/more-nc-children-pre-k-fall-thanks-funding-pushed-gov-cooper>.
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## THE PATH FORWARD:

### EXPAND CAPACITY WITHOUT SACRIFICING QUALITY

***Give the proven success of NC Pre-K to date, the program should be expanded to include the entire cohort of North Carolina's underserved four-year-olds. Recommended actions for scaling the program to reach more children while maintaining program quality and credentialed teachers are as follows:***

### INCREASE STATE FUNDING FOR PROGRAM EXPANSION

In 2017, Governor Cooper sought \$32.4 million to expand NC Pre-K student capacity by 4,668 slots. Yet the NC legislature allotted only \$27.3 million, enough to fund just 3,500 new students.<sup>4</sup> This level of funding is insufficient to cover costs for currently waitlisted students and cannot begin to address the larger audience of the state's remaining eligible families. North Carolina's current preschool funding is more than \$25 million less than it was before the recession, which is out of line with the rising interest in Pre-K and the rising funding needed to provide for this increased demand.<sup>7</sup>

Expansion of NC Pre-K to meet the state's needs should be conducted in two phases:

Phase I will focus on serving all 6,345 children currently on the wait list, at a cost of \$13 million per year and would clear the waitlist by the 2020 school year.<sup>8</sup>

Phase II will make the program available to all 66,000 of NC's eligible children, with the sizable additional investment of at least additional \$119 million per year.<sup>8</sup> Consistent with Governor Cooper's opinion, North Carolina should consider generating the necessary funds through reduction of the personal income tax deduction; another option would be introduction of a 3/4 of a cent increase in property tax, as Mecklenburg County has done (equating to average taxpayer cost of \$19), with revenue funneled directly to early education.<sup>9</sup>

### RAISE THE REIMBURSEMENT RATE PER STUDENT TO OFFSET SITE COSTS

An increase in the reimbursement rate that NC Pre-K provides per student is necessary to offset the increased financial load on local governments and to maintain program quality. Expanding NC Pre-K capacity would require the opening of new centers around the state, and while state and federal funds do cover the majority of preschool costs, about 25% of costs currently fall on local communities.<sup>10</sup> Increasing the reimbursement rate would put less financial stress on local communities as the program is scaled, which would ensure that the same quality of resources and instruction could be sustained at a higher capacity. North Carolina Senate Bill 726 proposed a per-student reimbursement rate increase of three percent, which is in line with the solution discussed here.