

# Study Aims: To understand barriers to NC Pre-K expansion and propose solutions

- NC Pre-K began in 2001 and grew for nearly a decade
- Mixed delivery: ½ private, ½ public school, mix varies greatly by county
- With the Great Recession as in many states funding was cut---enrollment fell, real \$/child declined
- Quality standards stayed high—max class size 18, teacher with BA plus ECE specialization
- Many NC children in ECE providers outside NC Pre-K
  - 4 & 5 Star Child Care Centers not all NC Pre-K Qualified—10,460 in but 17,386 not in NC Pre-K
  - Teacher qualifications are lower & class size is larger
- Multiple studies find NC pre-K has lasting impacts

# New Evidence of Effectiveness: NO Fade Out

## Duke Study of NC Pre-K Effects Through Grade 8

- Five cohorts of NC children born between January 1, 1996 and December 31, 2000
- School outcomes from 6<sup>th</sup> to 9<sup>th</sup> grade related to NC Pre-K spending per 4-year-old by county when child was 4
- Higher math and reading scores through Grade 8
- Lower probability of being placed in special education in each grade, and since Grade 3
- Lower probability of repeating a grade since Grade 3.

# How NC Pre-K is funded by the state

- State funding is designed to cover 60% of cost
- Programs receive \$5,200 per child from the state.
- Funding per child has not increased in since 2012.
- In 2008 the state paid the equivalent of \$6000, adjusted for inflation
- So real funding has gone down \$800 per child over 10 years.
- State dollars cannot be used for transportation or facilities
- Just 4% can be used for administration.

# Our Study Design

- Analyzed data from NCSU statewide cost survey of NC Pre-K Providers
- Applied NIEER's CPQ to fill in missing data and estimate how cost varies across providers
- Analyzed results from 13 representative counties survey of contractors and providers regarding barriers to expansion

# Identified Barriers to Expansion

- New teachers not available at current NC Pre-K pay
- Teacher retention is already difficult
- Private provider teachers paid \$18,000 less
- Little space for expansion they can afford
- Problems will intensify when mandated class size reduction in K-12 begins
- Cost per added children higher than current average
  - Greater recruitment & transportation needs, higher costs for new teachers, space, and administration
- Available non-state matching funds already tapped out in many places

# RECOMMENDATIONS TO MOVE NC PRE-K FORWARD

- Set the goal to enroll at least 75% of the eligible population statewide
- Offer financial incentives for 4 & 5 Star centers to become NC Pre-K
  - Top up their funding for teacher pay and smaller classes
  - Modify regulations to facilitate co-funding with child subsidy and NC Pre-K dollars
- Increase the state rates to account for rising costs
- Offer 1-time grants for start-up costs of expansion
- Provide supplements to for pay parity in private providers
- Increase allowable percentage for administrative cost
- Fund NC Pre-K through the school funding formula