

## Overview and Summary

NC Pre-K is a primarily state-funded pre-kindergarten program administered by the Division of Child Development and Early Education within the North Carolina Department of Health and Human Services. The program educates eligible four-year-olds in classrooms located in a variety of settings, including public schools, Head Start sites,<sup>1</sup> and private child care centers (both for-profit and nonprofit). To be eligible, a child must have turned four on or before August 31 of the program year and be from a family whose gross income is at or below 75 percent of the state median income. However, children of certain military families are also eligible without regard to income, and up to 20 percent of age-eligible children enrolled may have family incomes in excess of the income cap if they have documented risk factors in specific categories including developmental disability, limited English proficiency, educational need, or chronic health condition.

Since its start in 2001-02, NC Pre-K has served over 350,000 children. During the 2016-17 school year, more than 27,000 children attended NC Pre-K at an average cost to the state of \$5,534 per slot.<sup>2</sup> NC Pre-K does not cover the full cost of services, as it requires that local programs demonstrate they are using other funds to maximize resources (known as “blended funding”). Further, cost varies by setting: in 2016-17, Head Start programs received on average \$3,964 per slot in NC Pre-K funding, while the average was \$4,777 for public schools and \$6,257 for private child care centers.<sup>3</sup> The average overall cost for a NC Pre-K slot was \$9,126 in 2016-17.

During the 2015-16 school year, NC Pre-K served approximately 22 percent of the state’s four-year-olds. This summer, legislators at the General Assembly agreed to expand the NC Pre-K program. Relative to the 2016-17 school year, increased state-directed funding will make an additional 1,725 NC Pre-K slots available for 2017-18 and an additional 3,525 slots available for 2018-19.

In 2015-16, more than three-quarters of NC Pre-K classrooms (78 percent) had attained the highest, five-star licensing level, with another 17 percent at the four-star level. The average annual attendance of enrollees was 140 days, which equates to 81 percent of the average days of operation across all public schools, Head Start sites, and private child care centers. The average class size was 16 students, 13 of whom were funded by NC Pre-K.

---

<sup>1</sup> Head Start is a federally funded, comprehensive preschool program with the goal of helping three and four year olds from low-income families be better prepared for school.

<sup>2</sup> A slot represents the capacity to serve one child for one program year (10 months). The actual number of children served may be greater as children leave the program and are replaced by others in the same year.

<sup>3</sup> Private child care centers reported having more staff at each site, with an average of 15 employees per site. Additionally, the determinations for cost per slot allocations take into consideration the costs associated with providing education to all pre-kindergarteners, not just those enrolled in the NC Pre-K program. An explanation for why private child care centers receive more funding is that they might employ more employees and/or serve more pre-kindergarteners overall.

## **Fast Facts about NC Pre-K**

### **Population served**

- During the 2015-16 school year, NC Pre-K served 28,757 children in 1,962 classrooms located at 1,157 sites.<sup>4</sup> As of early 2017, there were 27,019 children in contract to receive NC Pre-K services.<sup>5</sup>
- In 2015-16, NC Pre-K served approximately 22 percent of the state's four-year-olds.<sup>6</sup>
- Due to income-related eligibility requirements,<sup>7</sup> children served by NC Pre-K in 2015-16 primarily came from low-income families, with 90 percent eligible for free or reduced-price lunch.<sup>8</sup>

### **Program effectiveness**

- According to a UNC evaluation of the 2015-16 school year, NC Pre-K demonstrated consistent, positive effects on children's skills at the end of kindergarten in two key domains of learning—math and executive function.<sup>9</sup>
- A UNC summary of annual NC Pre-K evaluations conducted from 2002 to 2016 stated that poor children who attended the program fared better on third-grade reading and math end-of-grade tests than poor children who did not attend.<sup>10</sup>
- A Duke University study published in 2016 found that North Carolina's investment in pre-K and Smart Start has resulted in higher test scores, less grade retention, and fewer special education placements through fifth grade.<sup>11</sup> According to the study, the benefits extended beyond students who attended pre-K—that is, being in class with former NC-Pre-K students helped non-attendees do better in later grades.

<sup>4</sup> Peisner-Feinberg, E., Mokrova, I., and Anderson, T. Effects of Participation in the North Carolina Pre-Kindergarten Program at the End of Kindergarten: 2015-2016 Statewide Evaluation. February 2017. Web accessed: <http://fpg.unc.edu/sites/fpg.unc.edu/files/resources/reports-and-policy-briefs/2015-16%20NC%20Pre-K%20Eval%20Report.pdf>

<sup>5</sup> Study Costs and Effectiveness Associated with NC Pre-K Slots. Report to the House Appropriations Committee on Health and Human Services and Senate Appropriations Committee on Health and Human Services and Fiscal Research Division. North Carolina Department of Health and Human Services. February 1, 2017. Web accessed: <http://buildthefoundation.org/wp-content/uploads/2017/02/Costs-Associated-with-NC-PreK-Study.pdf>

<sup>6</sup> The State of Preschool 2016 (North Carolina profile). National Institute for Early Education Research. 2017. Web accessed: [http://nieer.org/wp-content/uploads/2017/05/North-Carolina\\_YB16.pdf](http://nieer.org/wp-content/uploads/2017/05/North-Carolina_YB16.pdf)

<sup>7</sup> NC Department of Health and Human Services Child Development and Early Education Division. NC Pre-K North Carolina Prekindergarten Program. Web accessed: [http://ncchildcare.dhhs.state.nc.us/general/mb\\_ncprek.asp](http://ncchildcare.dhhs.state.nc.us/general/mb_ncprek.asp)

<sup>8</sup> Peisner-Feinberg, E., Mokrova, I., and Anderson, T. Effects of Participation in the North Carolina Pre-Kindergarten Program at the End of Kindergarten: 2015-2016 Statewide Evaluation. February 2017. Web accessed: <http://fpg.unc.edu/sites/fpg.unc.edu/files/resources/reports-and-policy-briefs/2015-16%20NC%20Pre-K%20Eval%20Report.pdf>

<sup>9</sup> Ibid

<sup>10</sup> Peisner-Feinberg, E. North Carolina Pre-Kindergarten Program Evaluation: Key Findings (2002-2016). May 2017. Web accessed: <http://fpg.unc.edu/sites/fpg.unc.edu/files/resources/reports-and-policy-briefs/Summary%20of%20NC%20Pre-K%20Evaluation%20Findings%205-2017.pdf>

<sup>11</sup> Dodge, K., Bai, Y., Ladd, H., and Muschkin, C. Impact of North Carolina's Early Childhood Programs and Policies on Educational Outcomes in Elementary School. Child Development. November 2016. Web accessed: <http://dukespace.lib.duke.edu/dspace/handle/10161/13015>

### Costs, state expenditures, and available slots

- Initiated in 2001-02, NC Pre-K has served more than 350,000 children.<sup>12</sup>
- The program cost the state an average of \$5,534 per slot in the 2016-17 school year.<sup>13</sup>
- The average overall cost for a NC Pre-K slot was \$9,126 in 2016-17, with state funding covering approximately 61 percent of that cost.<sup>14</sup>
- North Carolina funds NC Pre-K through a combination of state appropriations, lottery revenue, and federal Temporary Assistance for Needy Families (TANF) funds. In addition, there is a local funding component that varies by county.
- NC Pre-K costs that are covered by the state vary by program setting. In 2016-17, Head Start programs received on average \$3,964 per slot in NC Pre-K funding. The average was \$4,777 for public schools and \$6,257 for private child care centers.<sup>15</sup>
- Relative to the 2016-17 school year, increased state-directed funding will make an additional 1,725 NC Pre-K slots available for 2017-18 and an additional 3,525 slots available for 2018-19.<sup>16</sup>

### Classroom sites, size, attendance, and quality

- In 2015-16, about half (52 percent) of NC Pre-K classrooms were located in public schools; about one-third (33 percent) in private settings, with 25 percent in for-profit and 8 percent in non-profit child care centers; and about 16 percent in Head Start sites, with 5 percent administered by public schools and 11 percent in other locations.<sup>17</sup>
- In 2015-16, the average class size was 16 students, 13 of whom were funded by NC Pre-K.<sup>18</sup>
- The average annual attendance of children enrolled in NC Pre-K in 2015-16 was 140 days, which equates to 81 percent of the average days of operation.<sup>19</sup>
- In 2015-16, more than three-quarters of NC Pre-K classrooms (78 percent) had attained the highest, five-star licensing level, with another 17 percent at the four-star level.<sup>20</sup>

<sup>12</sup> Peisner-Feinberg, E., Mokrova, I., and Anderson, T. Effects of Participation in the North Carolina Pre-Kindergarten Program at the End of Kindergarten: 2015-2016 Statewide Evaluation. February 2017. Web accessed: <http://fpg.unc.edu/sites/fpg.unc.edu/files/resources/reports-and-policy-briefs/2015-16%20NC%20Pre-K%20Eval%20Report.pdf>

<sup>13</sup> Study Costs and Effectiveness Associated with NC Pre-K Slots. Report to the House Appropriations Committee on Health and Human Services and Senate Appropriations Committee on Health and Human Services and Fiscal Research Division. North Carolina Department of Health and Human Services. February 1, 2017. Web accessed: <http://buildthefoundation.org/wp-content/uploads/2017/02/Costs-Associated-with-NC-PreK-Study.pdf>

<sup>14</sup> Ibid.

<sup>15</sup> Ibid.

<sup>16</sup> The Joint Conference Committee Report on the Base, Capital, and Expansion Budget (accompanying Senate Bill 257). North Carolina General Assembly. June 19, 2017. Web accessed:

[http://www.ncleg.net/Sessions/2017/Budget/2017/conference\\_committee\\_report\\_2017\\_06\\_19.pdf](http://www.ncleg.net/Sessions/2017/Budget/2017/conference_committee_report_2017_06_19.pdf)

<sup>17</sup> Peisner-Feinberg, E., Mokrova, I., and Anderson, T. Effects of Participation in the North Carolina Pre-Kindergarten Program at the End of Kindergarten: 2015-2016 Statewide Evaluation. February 2017. Web accessed: <http://fpg.unc.edu/sites/fpg.unc.edu/files/resources/reports-and-policy-briefs/2015-16%20NC%20Pre-K%20Eval%20Report.pdf>

<sup>18</sup> Ibid.

<sup>19</sup> Ibid.

<sup>20</sup> Ibid.