

# NORTH CAROLINA CHILD CARE COALITION

## POSITION ON THE GENERAL ASSEMBLY'S MAJOR PROPOSALS FOR EARLY CHILDHOOD EDUCATION

April 14, 2009

Both the House and the Senate have passed policy and budget provisions which would dramatically and drastically alter North Carolina's nationally recognized early childhood education programs. This paper presents information on both of these proposals, and recommends alternatives to preserve and protect services to children in the early childhood education programs.

*The North Carolina Child Care Coalition urges the General Assembly to protect and preserve its nationally recognized early childhood education system by the following actions.*

- 1) Limit any funding reduction for either Smart Start or More at Four to the percentage amount established by Governor Perdue for all other education programs.
- 2) Use the federal stimulus funding as required to support the child care needs of working families, without supplanting state funding for another early childhood education program.
- 3) Use the federal stimulus funding to enact a market rate targeted to 4 and 5 star care and particularly focused on rates for infants and one year olds.
- 4) Delay any restructuring of either the More at Four Pre-k program or the Smart Start early childhood system until July 2010 following the completion of a study and based upon recommendations from that study.

*The North Carolina Child Care Coalition has grave concerns about the current legislative proposals for North Carolina's early childhood education system.*

- The combined total cuts to early childhood education are estimated to be \$100 million, a 25% total cut in all early childhood programs: child care subsidy, More at Four, T.E.A.C.H. Early Childhood Scholarship Program and Smart Start. This is a drastic cut in services that will destroy programs and adversely impact the early childhood system that has taken nearly two decades to build.
- The combined cut percentage to More at Four and Smart Start exceeds those borne by both the K-12 and higher education systems.
- Federal stimulus funds designed to support the needs of working parents for children from birth to twelve will be used to serve only four year olds if it replaces state funds for More at Four.
- The funding cuts will create serious infrastructure damage to the early childhood education system, resulting in lost classrooms, programs and jobs.
- The Senate Budget eliminates the More at Four Program by changing its fundamental structure from a pre-kindergarten education program dedicated to at-risk four year olds into a specialized child care subsidy program for four year olds. Such a change would eliminate the current structure of leveraged state and federal funding supporting pre-kindergarten classrooms for at-risk children.
- Children whose parents do not work would not be eligible for the new subsidy Plus program. The goal of More at Four is to prepare *all* at-risk four year olds for school.

- Both the House bill and Senate budget propose to reorganize and restructure More at Four without studying or analyzing the impact of these changes on the services for children, the current early childhood education sites that operate these programs, or the local administrative entities involved.

The **Senate budget** contains a special provision with multiple components that reduces state funding for early childhood by 25% with a cut totaling more than \$100 million and eliminates the More at Four Program. Specifically, the Senate budget proposal includes the following.

- Reduces state funding by \$77 million for MAF, and replaces part of these cuts with funding from the federal stimulus package.
- Eliminates the More at Four program, as a high quality academic pre-k program targeted for 4 year old children at-risk for school failure and converts it into an expanded license and subsidy program (Plus) targeted to four year olds with working parents who meet subsidy eligibility criteria.
- Reduces Smart Start funding for FY 09-10 by \$15 million dollars and requires Smart Start supported child care subsidies to be maintained at the FY 2008-09 level of \$82 million. This will force the \$15 million funding reduction to be taken in the areas of professional development, health and family support because of other existing Smart Start legislative mandates.
- Moves a portion of the Office of School Readiness from Department of Public Instruction into the Division of Child Development within the Department of Health and Human Services.
- Reduces the MAF reimbursement rates per slot statewide while mandating that current MAF standards such as teacher qualifications be maintained.
- Diverts federal stimulus funds intended to serve children from birth to twelve whose families need child care subsidies to fund only four year olds in the More at Four program.

**HB 539** proposes to merge the Smart Start (SS) early childhood initiative with the More At Four program (MAF), by transferring administrative responsibility for the MAF program to the N.C. Partnership for Children effective July 1, 2009. It eliminates all staff positions, but there is no budget information to indicate if cuts are being made to More at Four or if the integrity of More at Four can be protected, i.e., how critical elements of the More at Four Program will be preserved.

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