

NC Pre-K Expansion Executive Order #128

Presentation to the Joint Legislative Oversight Committee on Health and Human Services

November 13, 2012

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Department of Health and Human Services**

2012/2013 NC Pre-K Expansion

- Counties requested funding to serve 7,978 children
- Funding allocated for 4,965 children to be served (62.2% of requested amount)
- 94 counties are participating in the expansion
- All counties that requested expansion funding were granted a pro-rated allocation of 62% of their requested number of children
- Average cost per child/per month: \$542
- Includes funding for:
 - start-up costs
 - administration costs

**Detail provided in the NC Pre-K Expansion Requests 2012/2013 Spreadsheet

Number of Children for Expansion

Number of children projected to be served by setting:

- Child Care Centers
 - 2,234
- Public schools
 - 1,165
- Head Start
 - 744
- Setting to be specified
 - 822

Expansion Timeline

- Projections for when children will begin services:
- 1,184 projected for October
- 2,020 projected for November
- 691 projected for December
- 1,070 projected for January
- Potentially, up to 550 teachers and teacher assistants could be hired as a result of the expansion

2012/2013 NC Pre-K Expansion

Where are we now?

- Children served as of 10/24/12: 25,100
- Children served as of 11/9/12: 26,031

2012/2013 NC Pre-K Expansion

- Requested amounts for immediate need
 - Services for 7,978 children
 - Total cost of \$29,202,920
- Pro-Rated amounts (62% of request)
 - Services for 4,965 children
 - Total cost of \$18,847,567

Local Contribution

- Local contribution is anticipated
- Smart Start, Head Start, & Public School (Exceptional Children, Title I) dollars are used for the local contribution

How was the 6,300 slot capacity level determined?

- 6,300 estimate as detailed in the January, 2012 Compliance Plan was determined based on a survey conducted in July/August, 2011.
- This projection was also based on the capacity to begin services in the middle of the school year and also from previous experience with expansion.

**The survey results are detailed in the spreadsheet titled: NC Pre-K Capacity Data 9-16-11

Child Placement

- Child placement is determined at the local level.
- Children may be served in new or existing classrooms, depending on availability at the county level.
- Other funding sources serve as a local contribution (ie: Title I, Exceptional Children's Services, Head Start, etc.)

Funding Source

In order to support costs for the additional Pre-K slots, a reserve will be created to transfer funding to the Division of Child Development and Early Education as needed to cover these costs. These funds will come from the following areas within the DHHS budget:

- A total of \$1,000,000 in lapsed salary funds will be transferred from multiple funds throughout the Division of Health Services Regulation budget code.

Budget Code: 14470; Funds: Multiple

Accounts: Multiple 531xxx (Personal Services) Accounts

- A total of \$5,000,000 in projected unexpended service funds will be transferred from the Aids Drug Assistance Program from within the Division of Public Health.

Budget Code: 14430, Fund: 1460

Accounts: Multiple 536xxx (Aid and Public Assistance) Accounts

Funding Source cont'd

- A total of \$6,000,000 in projected lapsed salaries and unexpended operational and service funds will be transferred from the Early Intervention within the Division of Public Health.
Budget Code: 14430; Fund: 1441
Accounts: Multiple 531xxx through 536xxx Accounts (Personal Services, Operating, Aid and Public Assistance)
- A total of \$2,500,000 in projected unexpended funding will be transferred from the Foster Care services within the Division of Social Services.
Budget Code: 14440; Fund: 1532
Accounts: Multiple 536xxx (Aid and Public Assistance) Accounts

Funding Source cont'd

- A total of \$5,500,000 in projected unexpended funding will be transferred from Indirect Cost earned throughout the Department.
Budget Code: Multiple; Fund: 1991
Accounts: Multiple

Note that each of these figures are based upon projected availability as of October, 2012. We will continue to review these amounts and other areas of the budget throughout the SFY. As a result of this review and based upon actual spending, resources to support this effort may be adjusted at a later date.