



The Changing Landscape of Durham's Early Childhood System (Fall 2011)

The North Carolina state budget that was adopted in early June 2011 cut funding and added new regulations that affect the early childhood system. These **changes** have significant implications for **Durham's Partnership for Children** (the Partnership), our funded partners, child care providers and teachers, and certainly the young children and families of Durham County.

SMART START

Smart Start received a 20% (\$37 million) cut state-wide; locally our Smart Start budget was reduced by 24% (\$1.6 million) from last year. Some program expectations were tightened and local flexibility over budgets and programs was diminished.

Since the year 2000, Smart Start funds for Durham have decreased by half while the County's population of young children birth to 5 years of age has increased by more than 30% during that same timeframe. Five programs previously funded were not renewed this year due to the sharply decreased amount of money available. All of the programs selected for funding received a smaller allocation than they did last year. The cuts are being shared throughout the community, and internal to the Partnership.

- Larger counties received greater cuts. Counties with fewer than 35,000 residents were capped at 20% cuts.
- Smart Start funded programs are to be evidence-based or evidence-informed.
- Smart Start is required to fund an early literacy pilot program (Reach Out & Read) in the state.
- A legislative research commission is authorized to study the cost, quality, consumer education, and outcomes of Smart Start.

In Durham, the largest Smart Start allocation (52% of total) is committed to **child care scholarships**. The Partnership contracts with Child Care Services Association (CCSA) to administer the Smart Start Scholarship program. These funds support child care scholarships for families that meet eligibility criteria, and they match NC Pre-K (4-year-olds) and Durham Early Head Start (0-3 year olds) for children in private child care centers.

- **State eligibility criteria¹ have changed.** Now, families must meet federal TANF (Temporary Assistance for Needy Families) or CCDF (Child Care and Development Fund) public assistance requirements, which mandate that *parents of children receiving subsidy/scholarship must be*

¹ <http://info.dhhs.state.nc.us/olm/manuals/dcd/ccs/man/CCSc7a1.pdf>

working, going to school or in training and the family income must be at or below 75% of the state median income.

- **Shift to higher quality Smart Start child care placements.** New legislation now requires a move toward only using scholarship funding for 4- and 5-star child care. In the past, 3-star care was included. The North Carolina Partnership for Children (NCPC) strongly recommends that Smart Start funds administered through local Partnerships only be used to subsidize child care placements in 4- and 5-star facilities. There are no plans to disallow funding for less than 4-star care this fiscal year, and children on scholarship will not be moved from existing 3-star settings. However, there will be a transition period that our community will need to plan for.

For more information about the Smart Start Scholarship Program operated by Child Care Services Administration, please contact Kelly Eppley at 919.403.6950.

Child Care Subsidy (via Durham County Department of Social Services)

The elimination of certain eligibility categories and the direct cuts to subsidy resulted in a total loss of about \$19 million state-wide.

- One and 2-star programs have a year to earn their 3-, 4- or 5-stars in order to continue to participate in the state's subsidized child care system. Religious sponsored providers are exempt from this requirement.
- No payments shall be made for transportation services or registration fees charged by child care facilities.
- Payments for subsidized child care services for postsecondary education shall be limited to a maximum of 20 months of enrollment.

PRE-KINDERGARTEN

- State funding for pre-kindergarten programs was cut by 20% state-wide.
- More at Four is now the NC Pre-Kindergarten Program (NC Pre-K).
- Management of NC Pre-K moves to the Division of Child Development and Early Education (DCDEE), resulting in a name change for the Division.
- NC Pre-K programs will be monitored by licensing consultants at DCDEE.
- The NC Pre-K program is required to participate in the Subsidized Early Education for Kids (SEEK) accounting system.

STAR RATING SYSTEM

- Four and 5-star programs must adopt and use an approved curriculum.
- Public schools that continue in the NC Pre-K program must become licensed by July 1, 2012. Durham Public Schools is well on its way to have all its pre-k classrooms licensed.
- Early Educator Certification through the NC Institute for Child Development Professionals is no longer required as of July 1, 2011.