

State of Pre-K Follow-Up

Board of Commissioners Work Session

October 14, 2019



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Today's Agenda

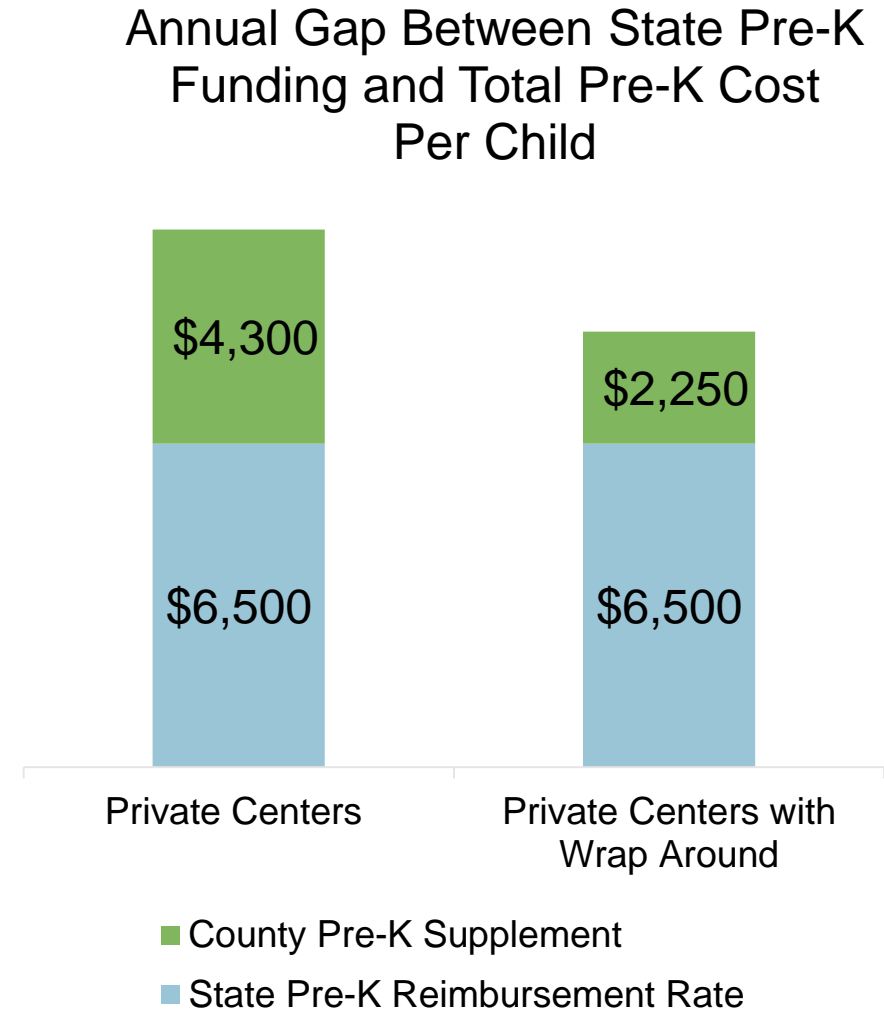
Provide follow-up information to Commissioner questions from the June 24 “State of Pre-K” Work Session.

Topics Covered:

- Priority Enrollment Groups
- Multi-Year Projections and Cost of Expanding Pre-K
- Barriers to Pre-K Access and Services

Summary of June 24 Work Session

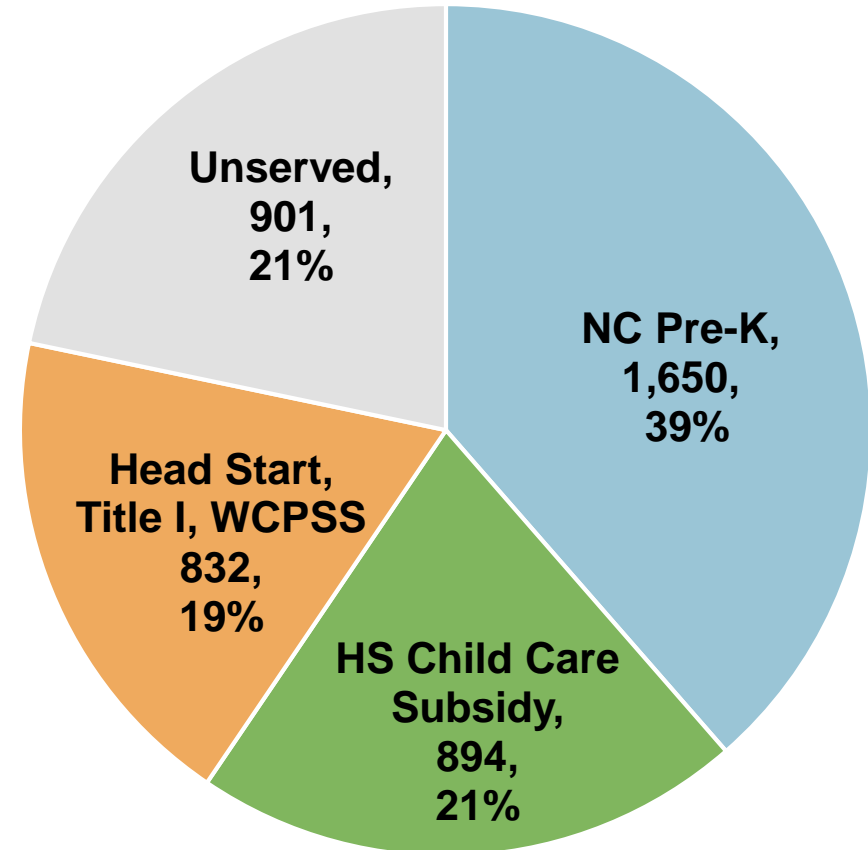
- Smart Start shared information about current service levels and funding sources.
- Highlighted use of County funds to address gap in State funding and total cost per child.
- SAS demonstrated Pre-K dashboard in development.



FY 2019 Actuals

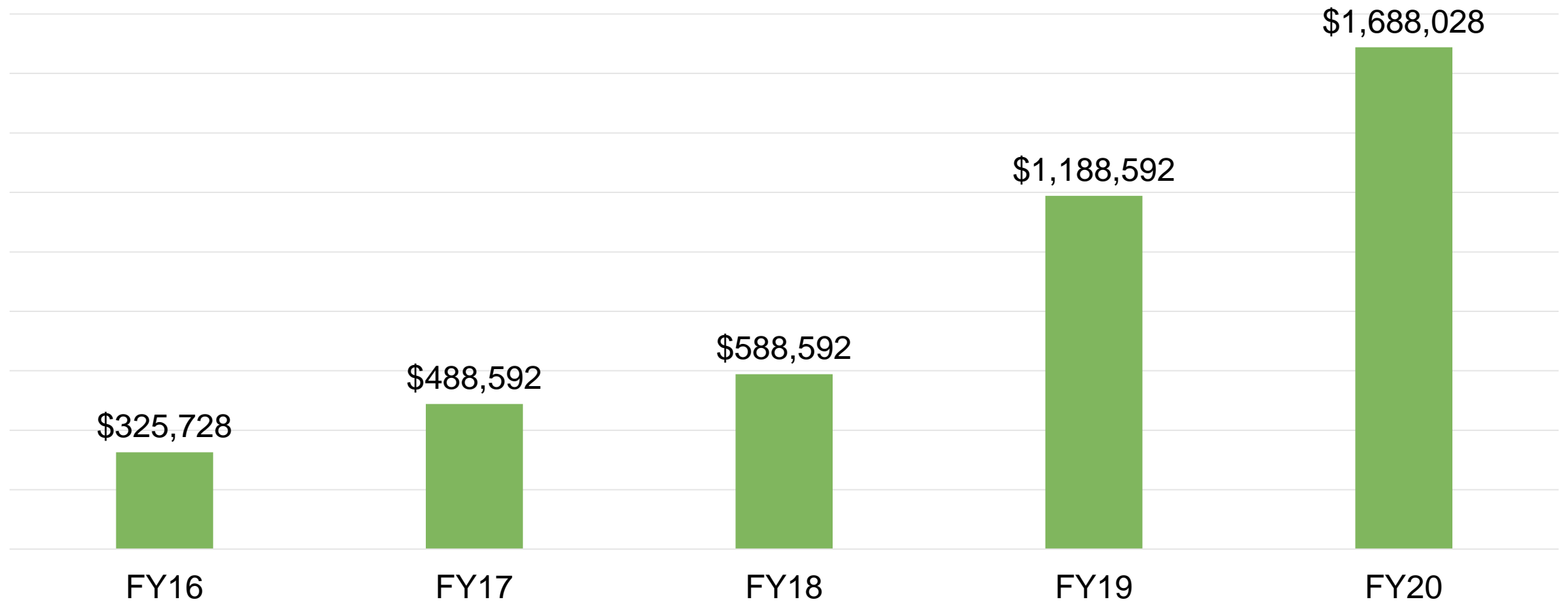
- Eligible children defined as household income at 200% of poverty level.
- For FY 2019:
 - 13,079 total 4-year olds
 - 4,277 eligible 4-year olds
 - 3,376 of eligible 4-year olds served
 - **79% of eligible 4-year olds served**

FY19 Year End Pre-K Slots



Wake County Smart Start Funding History

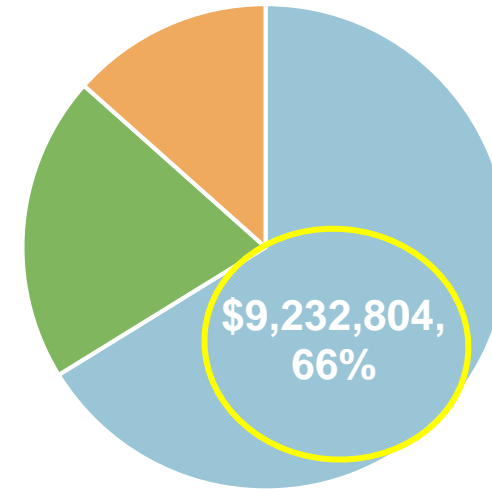
Wake County Contribution to Smart Start



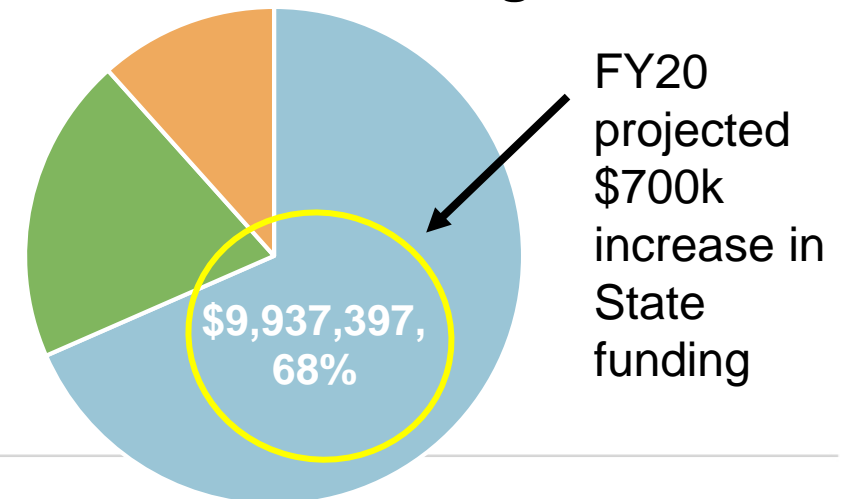
Updated FY 2020 Projection

- Smart Start's FY20 budget assumed 1,650 full year slots with \$700,000 state funding increase.
- Smart Start has updated projected state funding for FY20 back down to FY19 levels.
- Updated projection to 1,500 full year slots, and 150 partial year slots (November – May).

Smart Start FY19 Actuals



Smart Start FY20 Budget



Priority Enrollment Groups

Are there any priority enrollment groups for NC Pre-K? Specifically, children facing homelessness?

- Head Start priority enrollment groups: children facing homelessness, children in transitional housing, foster care (receive highest points in application process – no group is ranked higher).
- WCPSS/Title I Pre-K priority enrollment group also children facing homelessness and children in foster care.
- Smart Start priority enrollment group is income eligible children who have not been served between 0-3 years.

Multi-Year Projection Development

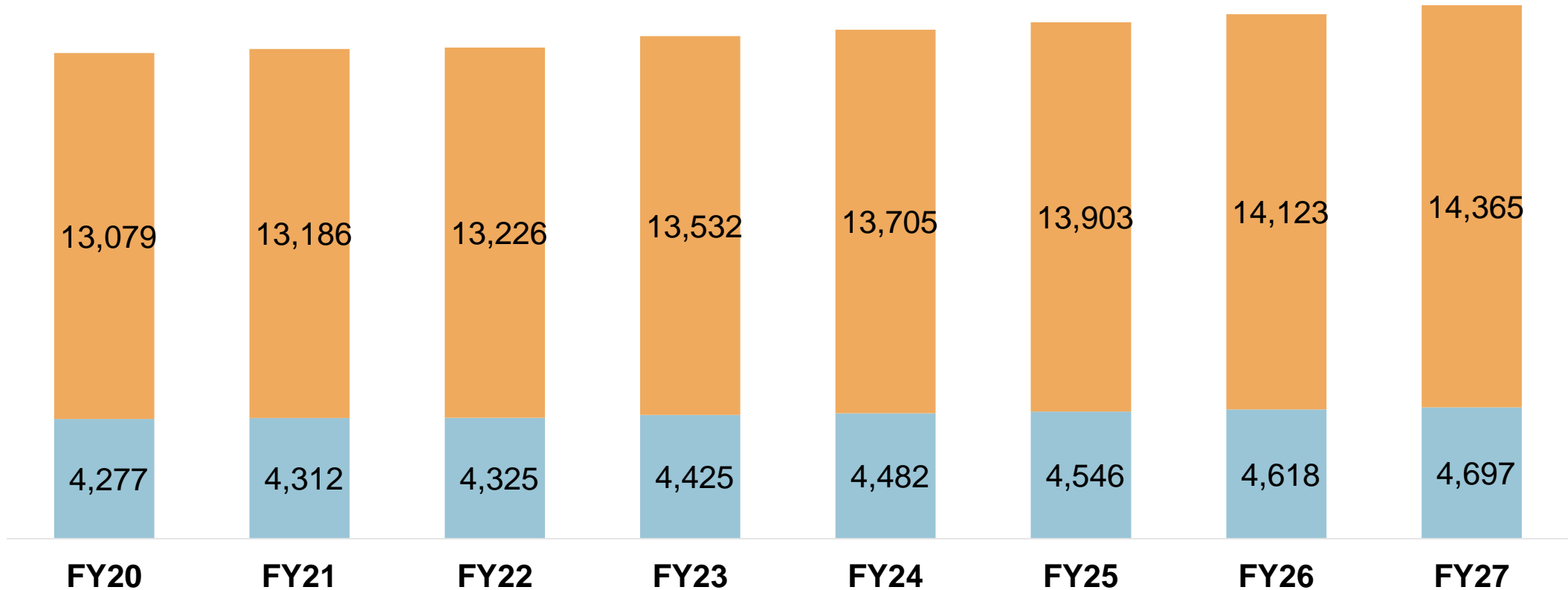
How much would it cost to expand Pre-K so “all” eligible children served?

- Staff worked with Smart Start to develop multi-year Pre-K expansion projections.
- Established goal of 85% eligible children served, and assume 15% home-based programs or no formal program.



Population Projections

Total population growth of 4-year olds estimated between .3% - 2.3% with approximately 33% of 4-year olds falling in to the “eligible” category.



Multi-Year Projection Assumptions

- Maximum addition of 100 slots per year
- Updated population estimates based on State Demographer
- No growth assumed in other Pre-K programs
- Mix of reimbursement rates
- 2% Vacancy

Total Cost = Pre-K Provider Payments + Program Support and Administration



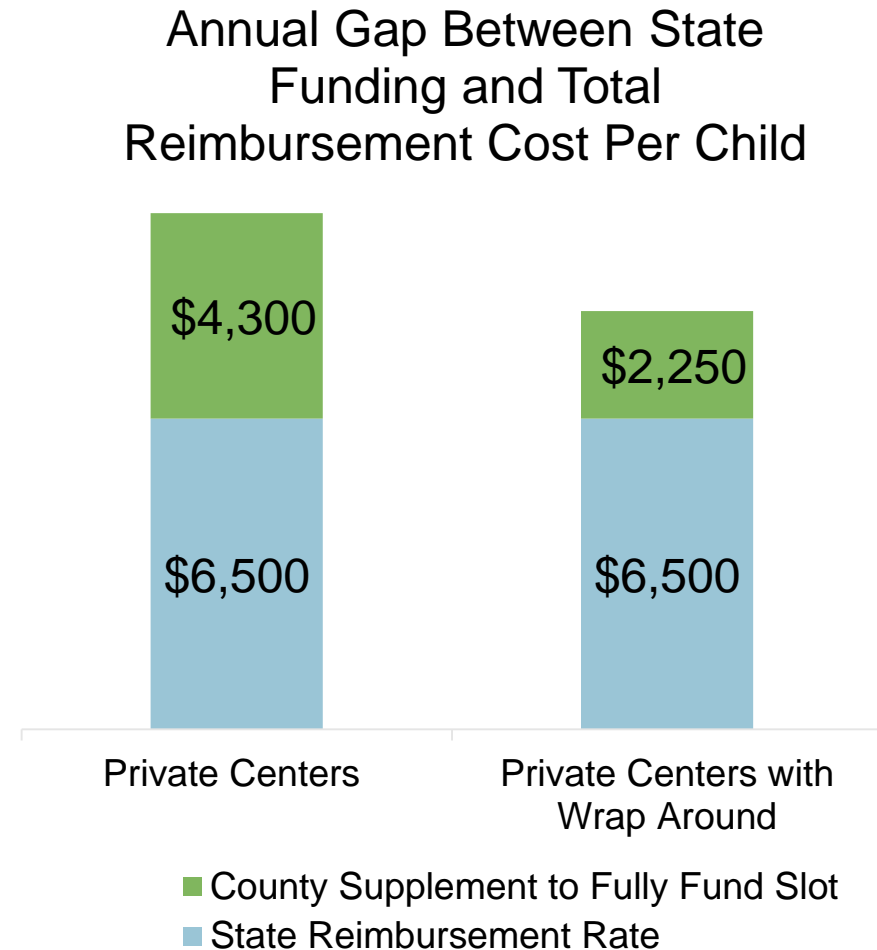
(\$8,750 - \$10,800 per Pre-K slot)



(12% of Total Slot Reimbursement)

Multi-Year Projection Assumptions

- Range of funding determined for each scenario based on whether additional slots would be partially funded by State.
- If State supported, County annual reimbursement cost is \$2,250-\$4,300 per slot.
- If not State supported, County annual reimbursement cost is \$10,800-\$8,700 per slot.



Multi-Year Projection Scenarios

- **Scenario 1: 85% Eligible Children served by FY25**

	FY21	FY22	FY23	FY24	FY25
Eligible Children Served	3,476	3,576	3,676	3,776	3,876
Percent of Eligible served	81%	83%	83%	84%	85%

- **Scenario 2: 85% Eligible Children served by FY27**

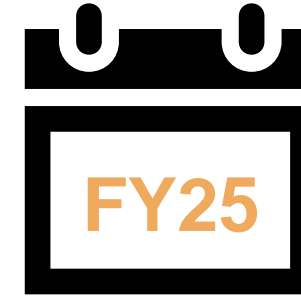
	FY21	FY22	FY23	FY24	FY25	FY26	FY27
Eligible Children Served	3,461	3,546	3,631	3,716	3,801	3,886	3,971
Percent of Eligible served	80%	82%	82%	83%	84%	84%	85%

Scenario 1: 85% by FY 2025

- 85% Eligible Children served by FY25
- Pre-K slots increase by 100 slots per year for 5 years



Funding increase
\$400k – \$1.1 million
per year



Total Children Served: 3,476

% Eligible Children Served: 81%

Total County Funding:
\$2.1 million - \$2.8 million

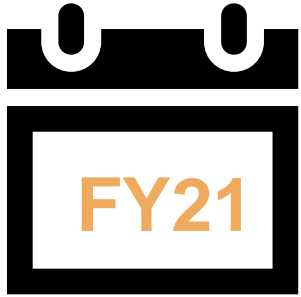
Total Children Served: 3,876

% Eligible Children Served: 85%

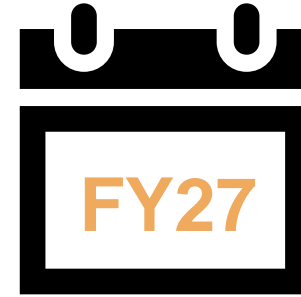
Total County Funding:
\$3.7 million – \$7.4 million

Scenario 2: 85% by FY 2027

- 85% Eligible Children served by FY27
- Pre-K slots would increase by 85 slots per year for 7 years



Funding increase
\$330k – \$960k per year



Total Children Served: 3,461

% Eligible Children Served: 80%

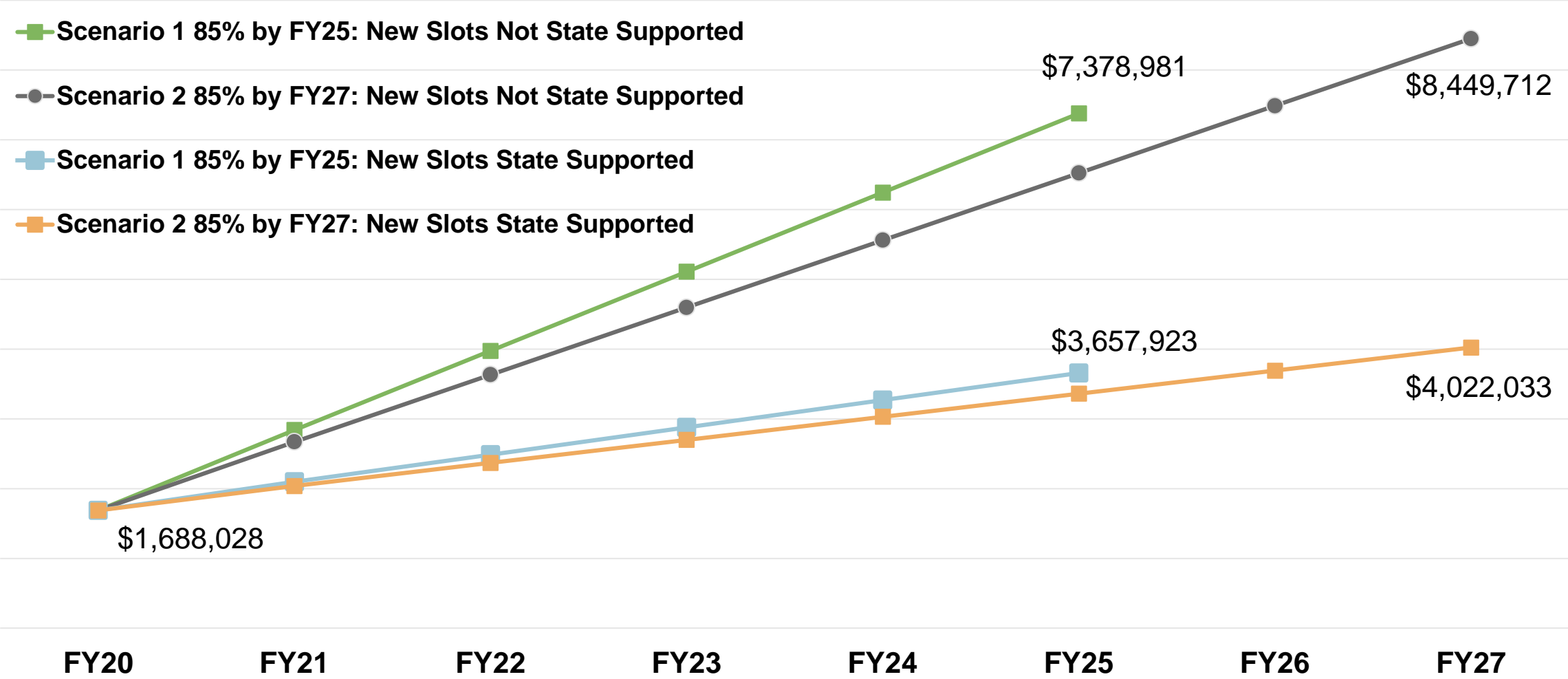
Total County Funding:
\$2.0 million - \$2.6 million

Total Children Served: 3,971

% Eligible Children Served: 85%

Total County Funding:
\$4.0 million – \$8.5 million

Comparing Cost Projections



Barriers to Service

1. **State Reimbursement Rate:** Does not reflect market rate, annual gap of \$2,250-\$4,300.
2. **Administration:** State allocation of 4% of slot reimbursement does not adequately cover costs.
3. **Transportation:** Smart Start places children within 10 miles, still challenging for families without adequate transportation.

Smart Start estimates 250 children do not participate due to lack of transportation. Looking into pilot program for Pre-K sites to provide transportation.