Save NC Pre-K

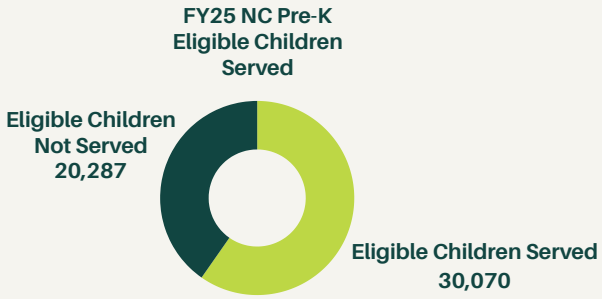
Raise NC Pre-K reimbursement rates across all settings and increase funding flexibility for program operations

NC Pre-K is a high-quality early childhood program, but without increased investment, fewer providers can afford to offer it, limiting access for thousands of eligible children.

WHY IT MATTERS

1. **Current reimbursement rates do not cover the cost of delivering NC Pre-K, making participation financially unsustainable for many programs.**
   a. NC Pre-K is administered locally in each county by a contracting agency, either the Smart Start Local Partnership or the public school system. The program is delivered by community-based early learning programs that serve children across various settings, including public schools, child care centers, and Head Start facilities.
   b. **Reimbursement rates vary based on program setting and currently fall short of covering about 40% of the cost of care** when adjusted for inflation. At the same time, participating programs face rising operating costs, which constrain expansion and create financial losses. [i]
   c. **Current average NC Pre-K reimbursement rates are also significantly lower than the current average child care subsidy reimbursement rates** for 3-5 year olds (average NC Pre-K rates are $608/child/month whereas subsidy rates are $975/child/month).
   d. Child care centers face especially difficult barriers to operating NC Pre-K, as they lack access to other revenues and infrastructure available in other settings like public schools.
   e. **NC Pre-K contractors are allocated up to 4% of their funding for critical operational costs (e.g. enrollment and eligibility determination, family outreach, data collection and reporting), but they report requiring as much as 15% to effectively manage the program.** [ii]
   f. NC Pre-K contractors must cover all remaining operational and administrative costs through other funding sources, making it not only difficult for providers to deliver the program, but also to expand service to meet the needs in their community. [iii]

2. **NC Pre-K is only serving a portion of eligible children in the state. Stagnant funding and the loss of program capacity are only making it harder to serve more.**
   a. **The number of NC Pre-K sites has declined over time.** Between 2019 and March 2026, 69 child care provider sites that operated NC Pre-K closed, accounting for almost 10% of all child care closures and a loss of over 5,000 slots during that period. [v]
   b. **This coincides with the significant drop in state investment in NC Pre-K,** which was funded at $10,832 per-child in SY2002, the year the program began, and is now only $6,254 per-child in SY2025. [vi]
   c. **In state fiscal year 2024-25, NC Pre-K served 30,070 children, representing only 60% of eligible four-year-olds.** [vii] Thousands were left without access.
   d. Some North Carolina counties maintain persistent NC Pre-K waitlists due to limited supply or capacity. [viii]



3. **Once a national leader in offering state-funded preschool for four-year-olds, North Carolina has lost ground as other states expanded their Pre-K programs in recent years.**
    a. North Carolina now ranks 32nd nationwide in access for 4-year-olds, and 26th in Pre-K spending, below the national average [ix]
    b. North Carolina is lagging neighboring states in Pre-K access. Not only is South Carolina serving a greater percentage of its 4-year-olds than North Carolina, but all of North Carolina's neighboring states have programs that also serve 3-year-olds.[x]
    c. North Carolina spent less on preschool programs and enrolled fewer children in the 2024-2025 school year than the previous year. [xi]

"[NC Pre-K] is underfunded. With what you get paid, it's a huge loss, and unfortunately, we don't participate in that."

- Child Care Provider [iv]

THE CASE FOR NC PRE-K

1. **NC Pre-K shows proven long-term positive outcomes for children and communities.**
    a. Children who participate in NC Pre-K demonstrate higher standardized test scores in math and reading, lower special education placement rates, and lower retention rates in grades 3, 4, and 5. [xii]
        i. Research indicates that reductions in special education placements can yield $358 per third-grade student in savings, which, in turn, could represent significant net savings for North Carolina. [xiii]

2. **Operating NC Pre-K plays a crucial role in ensuring consistent child care access for families.**
    a. An analysis of child care provider data from 2019 to 2026 demonstrated that child care providers that offer at least some NC Pre-K slots to their community were less likely to close than those that do not. [xiv] This suggests that the program can be an anchor for sustaining child care supply.

CALL TO ACTION

Raising NC Pre-K reimbursement rates to better match the current cost of care and supporting participating programs can significantly lower barriers, ensuring more children benefit from quality early education.

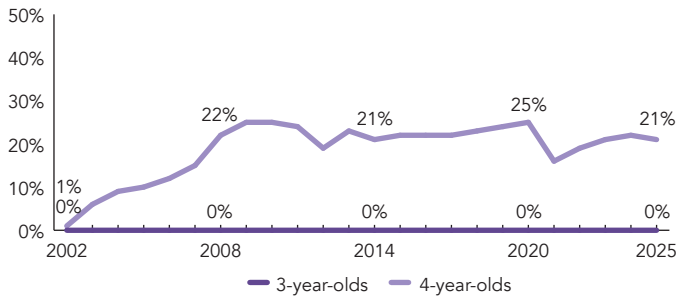
Increasing state investment and offering greater flexibility in administrative spending are essential steps to reduce closures among NC Pre-K providers and broaden access for eligible children.

SOURCES

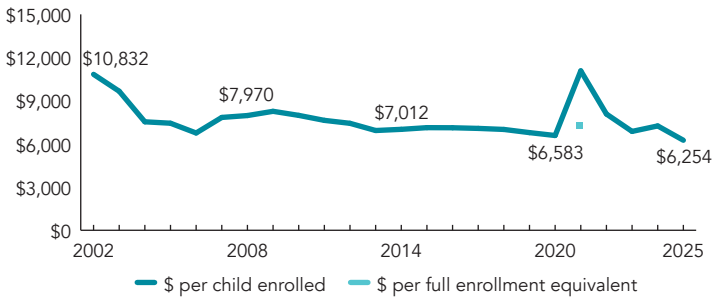
[i] NC Health News
[ii] NIEER_North_Carolina_2019.pdf
[iii] NIEER_North_Carolina_2019.pdf
[iv] Provider focus groups conducted by Afton Partners in April 2026.
[v] Between Oct 2019 and March 2026, North Carolina experienced a net loss of 683 child care sites. 69 represents closures among provider sites that operated only NC Pre-K and excludes providers that operated both NC Pre-K and Head Start, which increased in number by 49 in the same timeframe. The net loss among all NC Pre-K providers is 20 sites. Analysis conducted by Afton Partners using NC DHHS child care provider administrative data (October 2019 to March 2026).
[vi] North Carolina | National Institute for Early Education Research
[vii] Data received from staff at the Division of Child Development and Early Education (DCDEE) for NC Funding Streams Study
[viii] NC Pre-K | North Carolina Prekindergarten Program - North Carolina Pre-Kindergarten (NC Pre-K); NC Pre-K | 25-26 School Year | PFCF; and Pre-K Info | Columbus County School District
[ix] Executive Summary | National Institute for Early Education Research
[x] Executive Summary | National Institute for Early Education Research
[xi] Rutgers
[xii] Additional Resource - Pre-K Briefing Booklet for NC General Assembly.pdf
[xiii] Muschkin, C.G., Ladd, H.F., & Dodge, K.A. (2015), "Impact of North Carolina's Early Childhood Initiatives on Special Education Placements in Third Grade."
[xiv] Multivariate regression analysis conducted by Afton Partners using NC DHHS child care provider administrative data (October 2019 to March 2026).

North Carolina

PERCENT OF STATE POPULATION ENROLLED



STATE SPENDING PER CHILD ENROLLED (2025 DOLLARS)



OVERVIEW

During the 2024-2025 school year, North Carolina preschool enrolled 26,707 children, a decrease of 597 from the prior year. State spending totaled $98,840,868 and $68,186,143 in TANF funds also supported the program, down $30,896,434 (16%), adjusted for inflation, since last year. State spending per child (including TANF funds) equaled $6,254 in 2024-2025, down $995 from 2023-2024, adjusted for inflation. North Carolina met 9 of 10 quality standards benchmarks.

WHAT'S NEW

In September 2024, North Carolina was one of 10 states, and D.C. awarded a 3-year federal renewal Preschool Development Grant B-5 (PDG B-5) totaling $9,000,000 annually. PDG B-5 builds on past successes to enhance the state's early care and learning network through strengthening ECE programs in its mixed delivery system, supporting the ECE workforce, increasing family involvement in ECE programs, improving ECE program quality, expanding access to early childhood services, and creating seamless learning experiences from birth to kindergarten.

BACKGROUND

North Carolina has provided state-funded pre-kindergarten education since 2001, originally via the More at Four Pre-Kindergarten Program. In 2011-2012, the program was renamed the North Carolina Pre-Kindergarten (NC Pre-K) Program, and administrative control moved from the Department of Public Instruction to the Department of Health and Human Services (DHHS). NC Pre-K enrolls at-risk 4-year-olds from low-income families who have not participated in other early childhood programs. NC Pre-K programs are required to operate 6.5 hours per day for 36 weeks each year and serve as many eligible children as funding levels permit. Eligibility requires children to be in a household with income at or below 75% SMI, but up to 20% of children may be in a household with a higher income if they have another designated risk factor such as a developmental delay or identified disability, a chronic health condition, or limited English proficiency.

Funding for NC Pre-K includes state general appropriations and North Carolina Education Lottery receipts, federal funds, and a local contribution, with the majority of funding from the state. NC Pre-K classrooms operate statewide in settings such as privately licensed Head Start programs, childcare centers, and public schools. All programs, whether in public or private settings, must earn high quality ratings under the state child-care licensing system to participate in NC Pre-K and the state's subsidy system. NC Pre-K sets a maximum class size of 20 four-year-olds and requires a staff-child ratio of 1:10. Lead teachers must have a bachelor's degree and hold or be working towards a birth-through-kindergarten license. Classroom staff are required to use approved curricula and formative assessments aligned with the state's early learning standards. Staff conduct ongoing formative assessments to gather information about each child's growth and skill development, as well as to inform instruction.

ACCESS RANKINGS	
4-YEAR-OLDS	3-YEAR-OLDS
32	None Served

RESOURCE RANKINGS	
STATE SPENDING	ALL REPORTED SPENDING
27	26

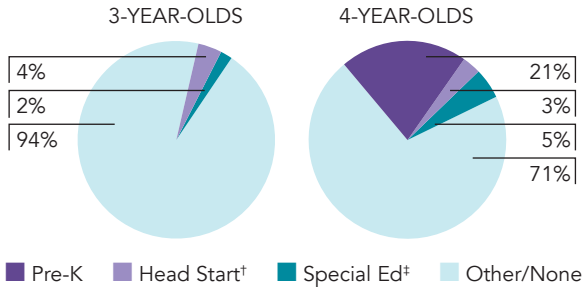
TOTAL BENCHMARKS MET
9*

NORTH CAROLINA PRE-KINDERGARTEN PROGRAM

ACCESS

Total state pre-K enrollment	26,707
School districts that offer state program	100% (counties)
Income requirement	75% SMI
Minimum hours of operation	6.5 hours/day; 5 days/week
Operating schedule	School or academic year
Special education enrollment, ages 3 and 4	12,141
Federally funded Head Start enrollment, ages 3 and 4	12,742
State-funded Head Start enrollment, ages 3 and 4	0

PERCENT OF POPULATION ENROLLED IN PUBLIC ECE



† Estimates children in Head Start not also enrolled in state pre-K.
‡ Estimates children in special education not also enrolled in state pre-K or Head Start.

QUALITY STANDARDS CHECKLIST

POLICY	NC PRE-K REQUIREMENT	BENCHMARK	REQUIREMENT MEETS BENCHMARK?
Early learning & development standards	Comprehensive, aligned, supported, culturally sensitive	**Comprehensive, aligned, supported, culturally sensitive**	☑
Curriculum supports	Approval process & supports	**Approval process & supports**	☑
Teacher degree	BA	**BA**	☑ *
Teacher specialized training	ECE, CD	**Specializing in pre-K**	☑
Assistant teacher degree	CDA or AA in ECE or CD	**CDA or equivalent**	☑
Staff professional development	5-20 hours/year; PD plans; Coaching	**For teachers & assistants: At least 15 hours/year; individual PD plans; Coaching**	☐
Maximum class size	20 (4-year-olds)	**20 or lower**	☑
Staff-child ratio	1:10 (4-year-olds)	**1:10 or better**	☑
Screening & referral	Vision, hearing, health & more	**Vision, hearing & health screenings; & referral**	☑
Continuous quality improvement system	Structured classroom observations; Data used for program improvement	**Structured classroom observations; data used for program improvement**	☑

For more information about the benchmarks, see the Executive Summary and Roadmap to State Profile Pages.
* Indicates that while policy meets the benchmark, it is not being implemented fully.

9*

RESOURCES

Total state pre-K spending	$167,027,011
Local match required?	Yes
State Head Start spending	$0
State spending per child enrolled	$6,254
All reported spending per child enrolled*	$8,722

* Pre-K programs may receive additional funds from federal or local sources that are not included in this figure.
† Head Start per-child spending includes funding only for 3- and 4-year-olds.
‡ K–12 expenditures include capital spending as well as current operating expenditures.

SPENDING PER CHILD ENROLLED

