Smart Start & More at Four: A Primer

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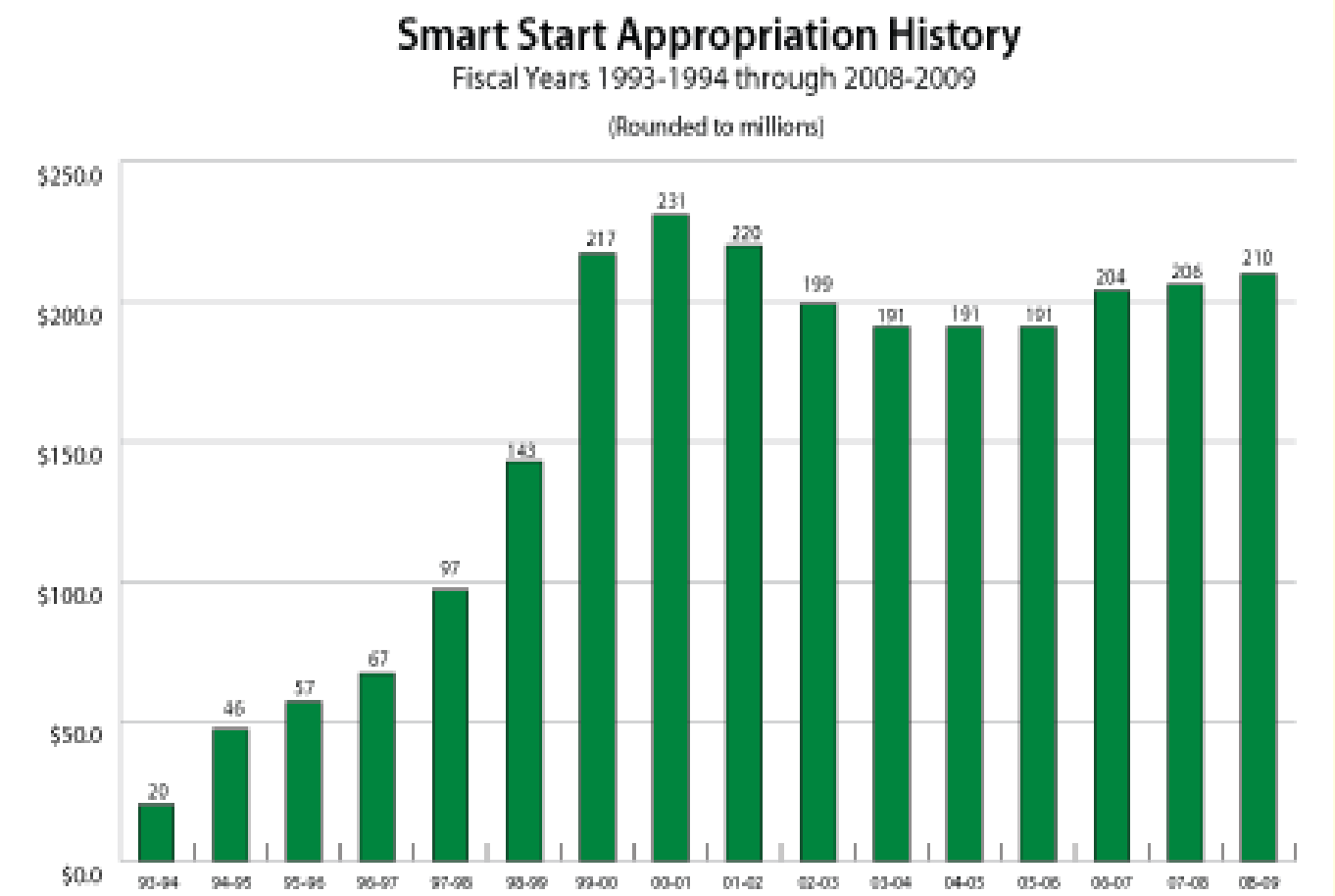
Smart Start

- Division of Childhood Development, Department of Health and Human Services
- Mission: "…to ensure that young children *enter school* healthy and *ready* to succeed."
- N.C. Partnership for Children
  - Nonprofit organization established to provide statewide oversight and technical assistance to Smart Start
- Administered by local partnerships (nonprofits)
  - Local partnerships also administer More at Four

Smart Start

- How much do we spend on Smart Start?
  - $210 million appropriation budgeted for FY 2008-09
  - Plus roughly $21 million from private donations
    - Required that 10% of annual Smart Start expenditures from private sources

Smart Start

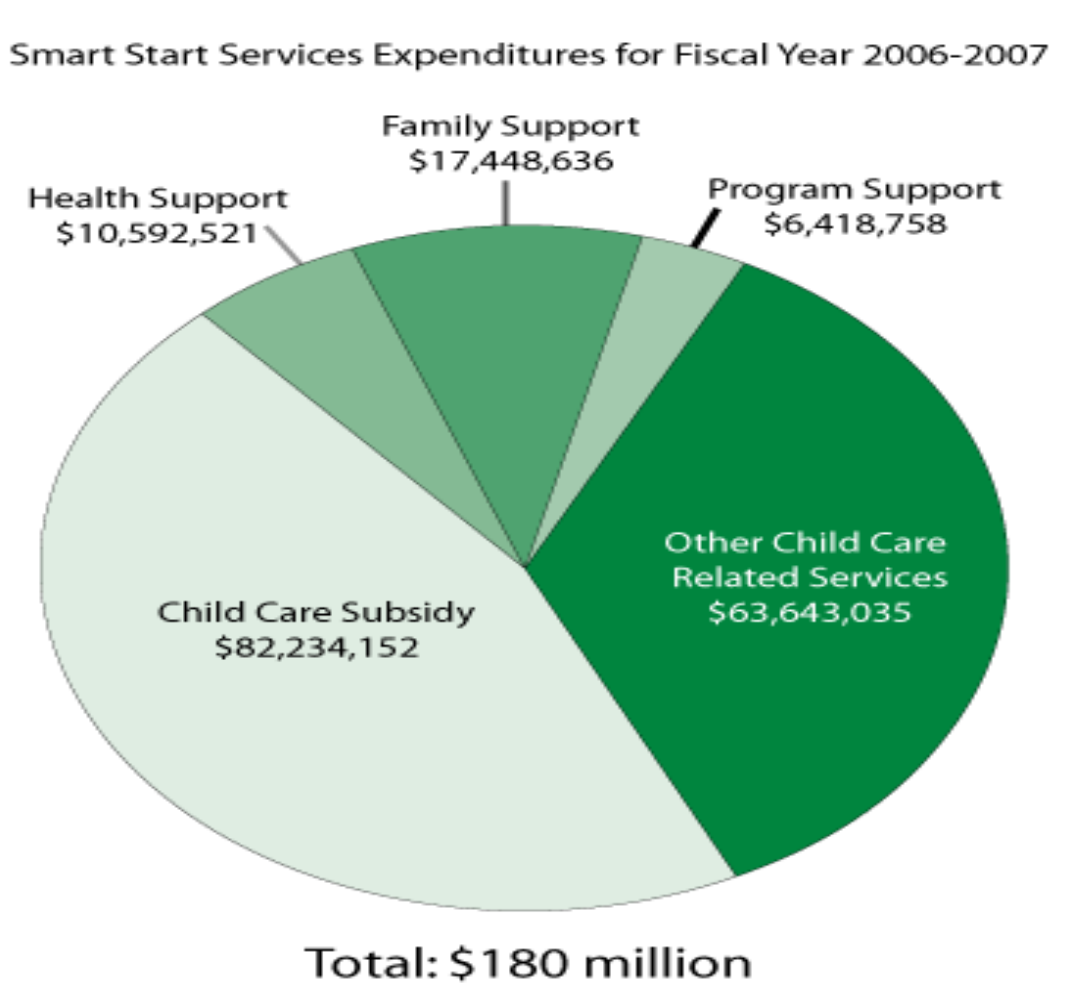

Smart Start Appropriation History
Fiscal Years 1993-1994 through 2008-2009
(Rounded to millions)
$250.0
$200.0
$150.0
$100.0
$50.0
$0.0
20
46
57
67
97
143
217
231
220
199
191
191
191
204
208
210
93-94
94-95
95-96
96-97
97-98
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03-04
04-05
05-06
06-07
07-08
08-09

Smart Start

Smart Start Budget for FY 2006-07

- Local Partnerships 98%($199.3m)
- NCPC Administration* 2% ($4.3m)
  - *Includes funds to Community Colleges for child care worker testing

Smart Start


Smart Start Services Expenditures for Fiscal Year 2006-2007
Family Support
$17,448,636
Health Support
$10,592,521
Program Support
$6,418,758
Other Child Care
Related Services
$63,643,035
Child Care Subsidy
$82,234,152
Total: $180 million

Smart Start

- What does it do?
  - Almost same activities as Federal Head Start program
  - Child care subsidies
  - “Program Support” and “other child care related services” includes training to child care teachers, technical support to day cares to improve quality and educational materials, evaluation of service providers
  - “Family support” includes assistance to parents finding child care (referrals), resources for parents (i.e. parenting tips)
  - “Health support” includes screenings of children to detect developmental delays

Smart Start

- Who is eligible?
  - For children up to 5 years old
  - Local partnerships have discretion over how funds are dispersed
    - Mandatory minimum 70% for local partnership direct services to improve child care quality (i.e. technical support, teacher training, etc)
      - Of that 70%, 30% goes to child care subsidies (with option of up to 50% at local discretion if long waiting lists)
    - Other 30% for children's health and family support, admin.
  - "Each Local Partnership has a board of directors made up of community members that make decisions on how to best meet the needs of the children and families in their community."

Smart Start

- Subsidy means-test?
  - For families earning less than 75% of the state median income, special needs children, and homeless families

More at Four

- Department of Public Instruction
- Mission: "…serves children who are at risk and *prepares* them for success in schools."
- About ½ of local programs administered by Smart Start local partnerships
  - Other ½ administered by LEA's

More at Four

- How much do we spend on More at Four?
  - Total budgeted for FY2008-09: $170 million
    - $84.6 million from lottery
    - $86 from state appropriation
  - More at Four Funds provide roughly half the funds necessary to fund the program
    - Counties receive average $5,000 per slot

More at Four

- Where does the rest of funding come from?
  - Smart Start
  - Subsidy from Division of Childhood Development (HHS) (also home to Smart Start)
  - Fed funds (Head Start, Title I)
  - Local appropriations, other

More at Four

Category	Budget
Classroom Start-up funds	$6.5 M
Classroom operational funds	$127 M
T.E.A.C.H. Scholarships	$1.9 M
Professional Development	$1.3 M
Evaluation & Database	$916,665
Administrative costs	$2.9 M
Total	**$140.5 M**

More at Four

- What is it?
  - Government run pre-k program
    - 6.5 hours per day, 10 months per year
    - Specific standards for curriculum, class size, teacher qualifications
    - Operated in public schools or licensed child care centers
      - More at Four classrooms often found in same building as private day cares

More at Four

- Who is eligible?
  - 4 year olds
  - Entering kindergarten the following year
  - “are at risk for poor school outcomes. Factors that put children at risk for poor school outcomes include low income, limited English proficiency, identified disability, chronic health condition and developmental or educational need.”

More at Four

- Who is eligible? (cont.)
  - “Priority is given to eligible children who have not been served in any other preschool or child care program.”
  - Income threshold is 75% of state median income, but is possible to exceed income threshold if have other mitigating risk factors

More at Four v. Subsidy

	Child Care Subsidy Program	**More at Four**
# of 4 year olds	12,258	32,122
Average Annual Payment Per Slot	$5,151 (12 months), plus parents pay fee (approx. $60/mo.)	$5,000 (10 months); include $ paid by other sources total $8,398
Average state payment per month	$429	$500
Number of hours/month	220 (approx.10/day)	143 (6.5/day)
Payment per hour	$1.95	$3.50

More at Four v. Subsidy

- Considerations:
  - More at Four costs 80% more than subsidy per hour (subsidy rates based on 5-star centers)
  - More at Four only 6.5 hours per day, 10 months a year. More expense (gov't subsidies or parent out of pocket) required if parents work full time, year-round. More paperwork required.

Comparison Chart

	Smart Start	More at Four
Mission	"…to ensure that young children *enter school* healthy and *ready* to succeed." (i.e. school readiness)	"…serves children who are at risk and *prepares* them for success in schools." (i.e. school readiness)
Target Population	Up to age 5	4 year olds
Funding	$210 M state appropriation (plus 10% funding from private donations)	$170 M total ■$86 M state appropriation ■$84 M lottery
Administration	Local partnerships (nonprofits) make decisions (within parameters)	Classrooms must meet uniform state standards. Local decisions on location of classrooms. Administered by Smart Start partners
Strategies	■Provide assistance to private day cares to improve quality, access to health services for kids ■Provide child-care subsidies for low-income kids	Provide a gov't funded and run pre-k. Set uniform state standards including curriculum, teacher credentials, class size

For More Info

Excellent source:

"Department of Health and Human Services, Division of Child Development, Smart Start, More at Four"

Lisa Hollowell

Fiscal Research Division

http://www.ncleg.net/fiscalresearch/frd_reports/frd_reports_pdfs/SubsidyPresentation2009.pdf