

## **NC Early Education Coalition Quick Joint Conference Budget Review**

**Overall, the original Senate budget proposal prevailed on every budget item for Smart Start, NC Pre-K and Child Care Subsidies although the House and Senate budgets were very close in spending targets on these items as well.**

- Smart Start receives an overall \$2.4 million in non-recurring funds with the exception of \$392,653 recurring federal funding for child care subsidies.
- NC Pre-K receives a \$1.7 million in recurring state funds for a 2% rate increase in FY 2019-20 and \$3.5 million recurring state funds for a 4% total rate increase in FY 2020-21. Rate increases are intended to be used to support early education teacher salaries in private child care programs.
- Child Care Subsidy assistance received a total of \$3.2 million increase in both FY 2019-20 and FY 20-21, which will possibly allow the state to serve an additional 500 children. A special provision reduces the parent co-pay fee from 10% to 9%.

**The final budget continued the trend of replacing state dollars with federal TANF funds which decreases the overall amount of new CCDBG funding available for child care subsidies and increases the reliance on federal funding for the NC Pre-K program.**

- The total net amount of state funding for all DCDEE programs is decreased by \$3.2 million in FY 19-20 and \$12.4 million in FY 2020-21.
- NC Pre-K state funding was decreased by \$4.1 million in FY2019-20 and by \$6. 1 million in FY 2020-21 and replaced with federal TANF funding, which reduces state funding to just 17% in FY 2021 and 21% in FY 2020-19.
- Child care subsidy assistance state funding was reduced by \$5.4 million in FY 2019-20 and by \$12.6 million in FY 2020-21.

**In other areas – the Joint Conference Budget included \$2.5 million in non-recurring funding to support items that were not included in either the House or Senate previous budgets.**

- Alleghany Partnership for Children: \$40,000 in non-recurring funding for FY 2019-20 only to create a supervised visitation site and transportation for families to fulfill their child visiting goals.
- Transylvania County Early Childhood Education Initiative: \$25,000 in non-recurring funding for a direct Smart Start grant.
- Alliance for Children: \$10,000 in non-recurring funding for a direct Smart Start grant.
- Blue Ridge Partnership for Children: \$10,000 in non-recurring funding to support mobile prekindergarten classroom.
- Child Care Services Association: \$2 million in non-recurring funding to support prekindergarten services in Durham County.

**NC Early Education Coalition  
Conference Committee Budget Comparison**

	House		Senate		Joint Conference Committee Budget	
	FY 19-20	FY 20-21	FY 19-20	FY 20-21	FY 19-20	FY 20-21
<b>Smart Start</b>	\$5M NR State funds	\$2M NR State funds	\$2.4M Total (\$2M NR State funds; \$.4M federal)	\$2.4M Total (\$2M NR State funds; \$.4M federal)	\$2,392,654 (\$2M NR State funds; \$.4M federal)	\$2,392,654 (\$2M NR State funds; \$.4M federal)
	<ul style="list-style-type: none"> <li>Child care subsidies - \$0</li> </ul>	<ul style="list-style-type: none"> <li>Child care subsidies - \$0</li> </ul>	<ul style="list-style-type: none"> <li>Child care subsidies \$392,654 R CCDBG</li> </ul>	<ul style="list-style-type: none"> <li>Child care subsidies \$392,654 R CCDBG</li> </ul>	<ul style="list-style-type: none"> <li>Child care subsidies – \$392,654 R CCDBG</li> </ul>	<ul style="list-style-type: none"> <li>Child care subsidies – \$392,654 R CCDBG</li> </ul>
	<ul style="list-style-type: none"> <li>Child care related \$3.5M</li> </ul>	<ul style="list-style-type: none"> <li>Child care related \$1.4M</li> </ul>	<ul style="list-style-type: none"> <li>Child care related \$1.4M</li> </ul>	<ul style="list-style-type: none"> <li>Child care related \$1.4M</li> </ul>	<ul style="list-style-type: none"> <li>Child care related \$1.4M</li> </ul>	<ul style="list-style-type: none"> <li>Child care related \$1.4M</li> </ul>
	<ul style="list-style-type: none"> <li>Family Support - \$750,000</li> </ul>	<ul style="list-style-type: none"> <li>Family Support - \$300,000</li> </ul>	<ul style="list-style-type: none"> <li>Family Support - \$300,000</li> </ul>	<ul style="list-style-type: none"> <li>Family Support - \$300,000</li> </ul>	<ul style="list-style-type: none"> <li>Family Support - \$300,000</li> </ul>	<ul style="list-style-type: none"> <li>Family Support - \$300,000</li> </ul>
	<ul style="list-style-type: none"> <li>Child health - \$750,000</li> </ul>	<ul style="list-style-type: none"> <li>Child health - \$300,000</li> </ul>	<ul style="list-style-type: none"> <li>Child health - \$300,000</li> </ul>	<ul style="list-style-type: none"> <li>Child health - \$300,000</li> </ul>	<ul style="list-style-type: none"> <li>Child health - \$300,000</li> </ul>	<ul style="list-style-type: none"> <li>Child health - \$300,000</li> </ul>
<b>Total appropriation</b>					<b>\$156,406,107</b> 7,392,654 (F) 149,013,453 (S)	<b>\$156,406,107</b> 7,392,654 (F) 149,013,453 (S)
<b>NC Pre-K</b>	<ul style="list-style-type: none"> <li>2% rate increase \$1.7M R state funds</li> <li>Swaps out \$2.5M R in state funds for federal TANF funds</li> </ul>	<ul style="list-style-type: none"> <li>6% rate increase \$5.3M R state funds</li> <li>Swap out of \$4.5M R in state funds for federal TANF funds</li> </ul>	<ul style="list-style-type: none"> <li>2% rate increase \$1.7M R state funds</li> <li>Swaps out \$4.1M R in state funds for federal TANF funds;</li> </ul>	<ul style="list-style-type: none"> <li>2% rate increase \$1.7M R state funds</li> <li>Swap out \$6.1M R in state funds for federal TANF funds</li> </ul>	<ul style="list-style-type: none"> <li>2% rate increase \$1.7M R state funds</li> <li>Swaps out \$4.1M R in state funds for federal TANF funds;</li> </ul>	<ul style="list-style-type: none"> <li>Additional 2% rate increase = 4% increase total \$3.5 R state funds</li> <li>Swap out \$6.1M R in state funds for federal TANF funds</li> </ul>

	<ul style="list-style-type: none"> <li>Maintains \$9.3M in state funding previously committed</li> </ul>	<ul style="list-style-type: none"> <li>Maintains \$9.3M in state funding previously committed</li> </ul>	<ul style="list-style-type: none"> <li>Maintains \$9.3M in state funding previously committed</li> </ul>	<ul style="list-style-type: none"> <li>Maintains \$9.3M in state funding previously committed</li> </ul>	<ul style="list-style-type: none"> <li>Maintains \$9.3M in state funding previously committed</li> </ul>	<ul style="list-style-type: none"> <li>Maintains \$9.3M in state funding previously committed</li> </ul>
<b>NC Pre-K Special Provision</b>	Rate increase dedicated to ECE teacher salaries in private child care	Rate increase dedicated to ECE teacher salaries in private child care	Rate increase dedicated to ECE teacher salaries in private child care	Rate increase dedicated to ECE teacher salaries in private child care	Rate increase dedicated to ECE teacher salaries in private child care	Rate increase dedicated to ECE teacher salaries in private child care
<b>Total Appropriation</b>					<b>\$174,532,185</b> 145,252,110 (F+L) 29,280,075 (S)	<b>185,682,185</b> 147,252,110 (F+S) 38,430,075 (S)
<b>Child Care Subsidies Code 1380</b>	<ul style="list-style-type: none"> <li>\$6.6M R Federal funding CCDBG and TANF</li> <li>Replaces \$7M state funding with federal TANF NR</li> <li>Maintains overall funding level</li> </ul>	<ul style="list-style-type: none"> <li>\$6.4M R Federal funding CCDBG and TANF</li> <li>Replaces \$5M state funding with federal TANF NR</li> <li>Maintains overall funding level</li> </ul>	<ul style="list-style-type: none"> <li>\$3.2M R Federal funding CCDBG &amp; TANF</li> <li>Replaces \$5.4M state funding with federal TANF NR</li> <li>Maintains overall funding level</li> </ul>	<ul style="list-style-type: none"> <li>\$3.29M R Federal funding CCDBG &amp; TANF</li> <li>Replaces \$12.6M state funding with federal TANF NR</li> <li>Maintains overall funding level</li> </ul>	<ul style="list-style-type: none"> <li>\$3.22M R Federal funding CCDBG &amp; TANF</li> <li>Replaces \$5.4M state funding with federal TANF NR</li> <li>Maintains overall funding level</li> </ul>	<ul style="list-style-type: none"> <li>\$3.22M R Federal funding CCDBG &amp; TANF</li> <li>Replaces \$12.6M state funding with federal TANF NR</li> <li>Maintains overall funding level</li> </ul>
<b>Child Care Subsidies Special Provision</b>	Decreases parent co-pay from 10% to 9%	Decreases parent co-pay from 10% to 9%	Decreases parent co-pay from 10% to 9%	Decreases parent co-pay from 10% to 9%	Decreases parent co-pay from 10% to 9%	Decreases parent co-pay from 10% to 9%
<b>Total Appropriation</b>					<b>\$402,670,197</b> 351,743,191 (F) 50,927,006 (S)	<b>\$402,670,197</b> 358,943,191 (F) 43,927,006 (S)

**Source:** Prepared by the NC Early Education Coalition, June 26, 2019. Data obtained from State Budgets reports listed on NCGA website.

**Code:**

(F) = Federal

(S) = State

(L) = Lottery

CCDBG = Child Care and Development Block Grant Funds

TANF = Temporary Assistance for Needy Families