

House Budget Leaves Too Many Children Behind

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One of my favorite things about the Children's Defense Fund is their motto, "Leave No Child Behind". The image of a single child left adrift in a big ocean is such a powerful message to act. It conveys the essence of our collective advocacy work – to make sure that every child and their family gets the support they want and need to be successful in school and in life.



All children thrive when they have opportunities for healthy beginnings, supported families and early care and learning. This is the foundation of our Think Babies™ NC work. We know that many of North Carolina's 363,000 children under age three will have access to all the opportunities and resources they need within their own families and communities to be successful. But for too many other children, the road ahead is full of challenges and obstacles that will adversely affect their healthy development and early learning. These children and their families need to be surrounded by community services and resources that will provide them with just the right dose of support to get them off to a healthy start in life. Our Think Babies policy agenda believes that all children and families need access to health care, home visiting and parenting education programs, paid family and medical leave, and quality infant toddler care and early learning. These early years are the time of greatest brain development, and the opportunities children have during this time set the course for all future learning and success.

The House budget that was passed last week provides some indication of what our state policymakers are willing to invest in to support our youngest children and families. Unfortunately, the House budget is woefully inadequate and leaves too many children behind.

Let's just take a look at one slice of the pie – early childhood education. Of the more than \$22 billion state budget, less than \$1 billion (not even 5%) went to young children served by the NC Division of Child Development and early education (DCDEE). DCDEE is the state agency responsible for the "big three" early childhood programs – Smart Start, NC Pre-K, and Child Care Subsidies. Total funding allocations in all three categories fell far below what was needed. Below are some highlights and our commentary on the House budget.

• Smart Start

House budget leaders provided just \$7 million in non-recurring funding for Smart Start, even though the original House and Senate Smart Start bills (H124 and S336) had bipartisan support and included \$20 million in appropriations. The Smart Start House budget falls short in two ways. First, the one-time only non-recurring funding will make it difficult for local partnerships to expand services in an ongoing way. Second, the budget is especially troubling for our Think Babies™ NC priority to expand home visiting and parenting education, as this category of family support received just \$1.2 million of the total \$7 million Smart Start two-year allocation. The [2018 UNC Home Visiting Landscape report](#) showed just 1% of all children had access to home visiting and 11 counties had no home visiting programs at all. State budget leaders did little to close the home visiting gap through Smart Start or in the \$4.5 million one-time funding provided to the Nurse-Family Partnership Program included in the Division of Public Health budget.

• Child Care Subsidy Assistance for Working Families

The House budget of \$7 million in federal funding also falls far short of what is needed. It is an extremely disappointing under-investment in child care subsidy assistance for working families and their children, especially considering there are almost 30,000 children on the waitlist right now, more than half of these children are under age three, and only about 20% of all eligible children across the state are currently served.

The Coalition's budget request was for \$31 million, which would have served 6,000 children. House budget leaders continued the trend of taking funding from one early childhood program to fund another program, which directly contradicts the federal intent by Congress and the President to expand child care

subsidies for working families. This House budget action is extremely short-sighted, especially considering that the entire state is a child care desert, with every county experiencing severe shortages in quality infant-toddler programs and other child care programs that serve low-income children and families.

- **NC Pre-K**

By the time a child reaches age four, it's often too late for many children, yet this is where the House budget is the strongest. House budget leaders declared their overall commitment to NC Pre-K expansion by including the \$9 million in state funding which was previously appropriated in FY 2018-19 budget and providing some additional funding for rate increases for private child care teacher salaries, by including \$1.7 million in recurring state funding for a 2% rate increase in FY 19-20 and \$5.3 million in recurring funding for a 6% increase in FY 20-21.

While House budget leaders did keep their commitment to NC Pre-K expansion, their approach leaves a lot to be desired. The House budget once again reduced state funding for NC Pre-K and replaced it with federal TANF funding, which negatively impacts the amount of funding available for child care subsidy assistance for working families and makes NC Pre-K increasingly dependent on federal funding. This trend started last year when both the Senate and House voted to reduce NC Pre-K state funding by \$50 million and replaced it with federal TANF child care subsidy funding, which dropped the state share to an all-time low of just 24%.

Despite continued investment in NC Pre-K, 30 counties did not expand the program the last time there was an increase in funding, which clearly indicates there are significant barriers to expansion. The rate increases are too low and fail to provide much needed administrative or programmatic support and upfront funding to recruit and hire teachers and outfit new classrooms.

Leaving so many children behind has incredible individual human costs. These families would benefit greatly from opportunities to access quality early learning programs to support their children's healthy development and early learning to be on track for third grade reading success. It also has huge economic costs for all of us too. When families do not have the child care they need, parents' work productivity falls, resulting in costs to parents, their employers, and, ultimately, taxpayers. The costs of insufficient childcare are immense. A recent [report by ReadyNation](#) shows that under investing in the state's early childhood programs comes to \$1.7 billion in annual costs for North Carolina.

The good news is there's still time in this year's budget process for state leaders to take the budget to a stronger place by the time the final state budget is adopted. And there's more money: North Carolina's revenue projections are on track to post the highest surplus since the Great Recession, which means state budget leaders will have access to more than \$700 million above earlier projections.

It's time our state leaders understand and act on the power of investing in our youngest children and their families. When we support them in their earliest years, we prepare our babies to grow, learn and succeed—and our communities, workforce and economy become stronger and more productive. Now, it's up to all of us to remind them to leave no child behind. Make your calls, send your emails and visit your legislators and tell them it's time to Think Babies and make their potential our top priority!