

NC Pre-K Program Guidance

Legislative Rate Increases for all Private Site NC Pre-K Classrooms

March 18, 2022

This guidance document is intended to provide information to NC Pre-K programs and contracting agencies regarding 2021-2022 legislative rate increases for all private site NC Pre-K classrooms.

It is the responsibility of the NC Pre-K contracting agencies to ensure that this guidance is shared with all NC Pre-K programs.

I. Purpose

On November 18, 2021, Governor Cooper signed into law [Session Law 2021-180](#) (Senate Bill 105). **Section 9C.3.** of this legislation states the following:

Of the funds appropriated in this act to the Department of Health and Human Services, Division of Child Development and Early Education, funds shall be allocated to raise the base reimbursement rates for child care centers participating in the North Carolina Prekindergarten (NC Pre-K) program by two percent (2%) over 2020-2021 fiscal year rates for the 2021-2022 fiscal year and by an additional two percent (2%) over the 2021-2022 rates for the 2022-2023 fiscal year. It is the intent of the General Assembly that funds allocated pursuant to this section be used to increase the salaries of teachers working in child care centers as a means to address disparities in teacher salaries among teachers working in child care centers versus those working in public schools or Head Start centers.

For the 2021-2022 program year, the Division of Child Development and Early Education will be implementing this legislative rate increase in accordance with the guidance below. **NC Pre-K sites are required to use the funds provided to increase the salaries of their NC Pre-K teachers as is intended by the General Assembly. Contracting agencies must develop a process for monitoring programs to ensure funds are used as intended.**

II. Classroom Eligibility Requirements

In order to be eligible to receive the rate increase, the NC Pre-K classroom **must be located in a private child care center, have 1 or more allocated NC Pre-K slots, and have a qualified lead teacher or long-term substitute in place** in the NC Pre-K Plan database as of **March 15, 2022**.

- Private site classrooms that have been allocated slots and have qualified staff in place by March 15, 2022 **will receive the rate increase regardless of child enrollment/attendance.**
- Classrooms located in public schools and head start sites **are not eligible** to receive the rate increase regardless of allocated slots or teacher qualification.

III. Funding Amounts

- a) NC Pre-K classrooms that meet the eligibility criteria described in Section II will receive a supplemental payment in the amount of \$2,510 which equates to approximately a 2.145% increase to the annual reimbursement for a classroom of 18 children at the standard \$650 rate.
(18 children x \$650 per child x 10 months = \$117,000 - - - \$117,000 x ~2.145% = \$2,510)

IV. Contract Amendment

- a) Additional funding for legislative rate increases will be added to each NC Pre-K contracting agency’s Direct Services funding in a separate budget line item through NC Pre-K Contract Amendment 2 effective July 1, 2021.
- b) **Contractors will not need to send in a Line Item Budget** as this funding will be placed in the Subcontracting and Grants budget category in a separate line item in the contract amendment.
- c) The funding breakdown will be included in the budget narrative as outlined below:

Example: Funds budgeted for legislative rate increases for 10 classrooms for a total funding amount of \$25,100 (10 classrooms x \$2,510= \$25,100).

V. Payment Distribution

Contracting agencies will request the total amount of additional funds for private rate increases as part of the reimbursement process for April services and will be responsible for distributing funding to NC Pre-K providers. The FSR will include the additional funds for private child care center rate increases on a separate line item under Subcontracting and Grants as budgeted in the contract.

The NC Pre-K Plan and NC Pre-K KIDS database systems will be modified to capture appropriate funding amounts for all eligible classrooms. NC Pre-K programs and contracting agencies will submit April attendance and reimbursement requests following **all usual processes**. DCDEE staff will be responsible for entering the legislative rate increase funds for each classroom in the NC Pre-K Plan and ensuring the amounts are accurately reflected on the April Summary of Attendance forms.

Who to Contact?

NC Pre-K Classroom Eligibility Criteria	Janessa Nieves, NC Pre-K Manager janessa.nieves@dhhs.nc.gov
Payment Distribution Process (as it relates to NC Pre-K Plan or NC Pre-K KIDS)	
Other NC Pre-K related questions	NC Pre-K Program Policy Consultants Frances Minton (<i>North East</i>) Jennifer Griffith (<i>West</i>) francis.minton@dhhs.nc.gov jennifer.griffith@dhhs.nc.gov (919) 604-7626 (919) 609-6921 Jeanne Barnes (<i>South East</i>) Sharon Stukes (<i>Central</i>) jeanne.barnes@dhhs.nc.gov sharon.stukes@dhhs.nc.gov (919) 814-6357 (704) 594-0151
Payment Distribution Process (as it relates to FSR submission)	NC Pre-K Budget Staff dcdee_ncprekfsr@dhhs.nc.gov
Contract Amendments	Candice Bailey, Contracts Manager candice.bailey@dhhs.nc.gov