

**HOUSE SELECT COMMITTEE
ON EARLY CHILDHOOD
EDUCATION IMPROVEMENT**



***REPORT TO THE
2012 REGULAR SESSION OF THE
2011 GENERAL ASSEMBLY
OF NORTH CAROLINA***

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TABLE OF CONTENTS

| | |
|--|----|
| LETTER OF TRANSMITTAL..... | i |
| COMMITTEE MEMBERSHIP | ii |
| AUTHORIZING LETTER..... | iv |
| COMMITTEE PROCEEDINGS..... | 1 |
| SUMMARY OF COMMITTEE PROCEEDINGS..... | 4 |
| COMMITTEE FINDINGS AND RECOMMENDATIONS | 9 |

STATE OF NORTH CAROLINA

HOUSE SELECT COMMITTEE ON EARLY CHILDHOOD EDUCATION IMPROVEMENT



March 1, 2012

TO THE MEMBERS OF THE 2012 REGULAR SESSION OF THE 2011 GENERAL ASSEMBLY OF NORTH CAROLINA:

Attached for your consideration is the report to the 2012 Regular Session of the 2011 General Assembly of North Carolina. This report was prepared by the House Select Committee on Early Childhood Education Improvement pursuant to G.S. 120-19.6(a1) and Rule 26 of the Rules of the House of Representatives of the 2011 General Assembly.

Respectfully submitted,


Representative Justin Burr
Cochair


Representative Rayne Brown
Cochair

**HOUSE SELECT COMMITTEE ON
EARLY CHILDHOOD EDUCATION IMPROVEMENT**

Membership List

Representative Rayne Brown, Co-Chair
416 Lee Avenue
Lexington, NC 27295
Rayne.Brown@ncleg.net
(336) 249-2608 (919) 754-3291 (F)

Representative Justin P. Burr, Co-Chair
P.O. Box 1966
Albemarle, NC 28002
Justin.Burr@ncleg.net
(704) 983-4663 (919) 754-3177 (F)

Representative John M. Blust
P.O. Box 8146
Greensboro, NC 27419
John.Blust@ncleg.net
(336) 274-4658x121 (919) 754-3134 (F)

Representative Maggie Jeffus
1801 Rolling Road
Greensboro, NC 27403
Maggie.Jeffus@ncleg.net
(336) 275-4762 (919) 754-3187 (F)

Representative George G. Cleveland
224 Campbell Place
Jacksonville, NC 28546
George.Cleveland@ncleg.net
(910) 346-3866 (919) 754-3154 (F)

Representative Pat McElraft
10108 Coast Guard Road
Emerald Isle, NC 28594
Pat.McElraft@ncleg.net
(252) 342-0693 (919) 754-3174 (F)

Representative Elmer Floyd
207 Courtney Street
Fayetteville, NC 28301
Elmer.Floyd@ncleg.net
(910) 488-6903 (919) 754-3202 (F)

Representative Tim D. Moffitt
3182 Sweeten Creek Road
Asheville, NC 28803
Tim.Moffitt@ncleg.net
(828) 651-8920 (919) 754-3317 (F)

Representative Rosa U. Gill
2408 Foxtrot Road
Raleigh, NC 27610
Rosa.Gill@ncleg.net
(919) 821-0425 (919) 754-3326 (F)

Representative Michael H. Wray
P.O. Box 904
Gaston, NC 27832
Michael.Wray@ncleg.net
(252) 536-8013 (919) 754-3155 (F)

Representative Mark K. Hilton
1351 Northern Drive, NW
Conover, NC 28613
Mark.Hilton@ncleg.net
(828) 446-2280 (919) 754-3179 (F)

STAFF

Lisa Hollowell, Fiscal Research
Legislative Office Building, Room 619
Lisa.Hollowell@ncleg.net
(919) 733-4910

Brian Matteson, Fiscal Research
Legislative Office Building, Room 609
Brian.Matteson@ncleg.net
(919) 733-4910

Patsy Pierce, Research
Legislative Office Building, Room 454J
Patsy.Pierce@ncleg.net
(919) 733-2578

Dee Atkinson, Research
Legislative Office Building, Room 545
Dee.Atkinson@ncleg.net
(919) 733-2578

Lisa Wilks, Bill Drafting
Legislative Office Building, Room 401
Lisa.Wilks@ncleg.net
(919) 733-6660

Committee Clerks

Lynn Taylor, Committee Clerk
Legislative Office Building, Room 638
Lynn.Taylor@ncleg.net
(919) 715-0873

Dina Long, Committee Clerk
Legislative Office Building, Room 538
Dina.Long@ncleg.net
(919) 733-5908

AUTHORIZING LETTER



Office of Speaker Thom Tillis
North Carolina House of Representatives
Raleigh, North Carolina 27601-1096

HOUSE SELECT COMMITTEE ON EARLY CHILDHOOD EDUCATION IMPROVEMENT

TO THE HONORABLE MEMBERS OF THE NORTH CAROLINA HOUSE OF REPRESENTATIVES

Section 1. The House Select Committee on Early Childhood Education Improvement (hereinafter "Committee") is established by the Speaker of the House of Representatives pursuant to G.S. 120-19.6(a1) and Rule 26 of the Rules of the House of Representatives of the 2011 General Assembly.

Section 2. The Committee consists of the 11 members listed below, appointed by the Speaker of the House of Representatives. Members serve at the pleasure of the Speaker of the House of Representatives. The Speaker of the House of Representatives may dissolve the Committee at any time.

| |
|--------------------------------------|
| Representative Justin Burr, Co-Chair |
| Representative Rayne Brown, Co-Chair |
| Representative Mark Hilton |
| Representative George Cleveland |
| Representative John Blust |
| Representative Pat McElraft |
| Representative Tim Moffitt |
| Representative Maggie Jeffus |
| Representative Michael Wray |
| Representative Rosa Gill |
| Representative Elmer Floyd |

Section 3. The Committee may study the cost, quality, consumer education, and outcomes of the North Carolina Partnership for Children, Inc.'s activities funded to (i) increase early literacy, (ii) measurably improve families' abilities to raise healthy, productive, and successful children, and (iii) increase access to preventative health care for children from birth to five years of age.

HOUSE SELECT COMMITTEE ON EARLY CHILDHOOD EDUCATION IMPROVEMENT

The Committee may evaluate and report on the following:

- (1) The types of activities, goals, and intended outcomes of evidence-based early literacy activities that promote phonemic awareness, letter recognition, segmenting words into sounds, and decoding print text.
- (2) The types of family support and health activities supported with the North Carolina Partnership for Children, Inc., funds:
- (3) The goal and intended outcome of the family support and health activities.
- (4) The numbers served and results of the family support and health activities.
- (5) Study the match requirements and what constitutes the match requirements.
- (6) Any other matter the Committee deems relevant to its charge.

Section 4. The Committee shall meet upon the call of its Co-Chairs. A quorum of the Committee shall be a majority of its members.

Section 5. The Committee, while in the discharge of its official duties, may exercise all powers provided for under G.S. 120-19 and Article 5A of Chapter 120 of the General Statutes.

Section 6. Members of the Committee shall receive per diem, subsistence, and travel allowance as provided in G.S. 120-3.1.

Section 7. The expenses of the Committee including per diem, subsistence, travel allowances for Committee members, and contracts for professional or consultant services shall be paid upon the written approval of the Speaker of the House of Representatives pursuant to G.S. 120-32.02(c) and G.S. 120-35 from funds available to the House of Representatives for its operations.

Section 8. The Legislative Services Officer shall assign professional and clerical staff to assist the Committee in its work. The Director of Legislative Assistants of the House of Representatives shall assign clerical support staff to the Committee.

Section 9. The Committee may submit an interim report on the results of the study, including any proposed legislation, on or before May 1, 2012, by filing a copy of the report with the Office of the Speaker of the House of Representatives, the House Principal Clerk, and the Legislative Library. The Committee shall submit a final report on the results of its study, including any proposed legislation, to the members of the House of Representatives by December 31, 2012 by filing the final report with the Office of the Speaker of the

HOUSE SELECT COMMITTEE ON EARLY CHILDHOOD EDUCATION IMPROVEMENT

House of Representatives, the House Principal Clerk, and the Legislative Library.
The Committee terminates upon the convening of the 2013 General Assembly or
upon the filing of its final report, whichever occurs first.

Effective this the 23rd day of September, 2011.



Thom Tillis
Thom Tillis
Speaker

COMMITTEE PROCEEDINGS

The House Select Committee on Early Childhood Education Improvement held 5 meetings between October 6, 2011 and March 1, 2012.

October 6, 2011

Budget/Program Overview for Division of Child Development and Early Education (DCDEE) More At Four Program History

Ms. Lisa Hollowell, NCGA, Fiscal Research Division

NC Pre-K, S.L. 2011-145

Ms. Lisa Hollowell

Legal Actions (historical and post-2011 session)

Ms. Drupti Chauhan, NCGA, Research Division

Evolution of At-risk definition within More At Four Program

Dr. Patsy Pierce, NCGA, Research Division

Implementation of NC Pre-K

Dr. Deborah Cassidy, Director, Division of Child Development and Early Education, Department of Health and Human Services

Provider Perspectives

Linda Piper, Executive Director of North Carolina Licensed Child Care Association (NCLCCA)
Kevin Campbell, Mecklenburg County
Dana Ramsey, Provider in numerous counties

Committee Discussion

November 3, 2011

Implementation of NC Pre-K

Dr. Deborah Cassidy, Director

Service Plan, as directed by EO 100

Division of Child Development and Early Education, Department of Health and Human Services

Federally-Funded Pre-K Programs

Khari Garvin, Director, Head Start Collaboration Office
Dr. Cindy Bagwell, Professional Development Team Lead, Federal Programs
Dr. Vivian James, Coordinator Exceptional Children Program
Department of Public Instruction, Office of Early Learning

Rural Provider Perspective

Kim Haley – Rockingham County
Bill Batts, Small World Child Care Center and Preschool - Wayne County

Committee Discussion

January 5, 2012

Legislative Actions

S.L. 2011-145 and S.L. 2011-391

Lisa Hollowell, Staff

Smart Start

Stephanie Fanjul, President

North Carolina Partnership for Children, Inc.

Local Partnerships

- **Wake County Partnership for Children, Inc.**
Pam Dowdy, Executive Director
- **Stanly County Partnership for Children, Inc.**
Barbara D. Whitley, MSW, Executive Director
- **Albemarle Smart Start Partnership**
Dr. Denauvo M. Robinson, President & CEO

Committee Discussion

February 2, 2012

Race-To-The-Top Early Learning Challenge Grant

- **Governor's Office**
Anne Bryan, Senior Policy Advisor
- **Division of Child Development and Early Education**
Dr. Deborah Cassidy, Director
- **Division of Public Health**
Dr. Kevin Ryan, Section Chief, Women's and Children's Health
- **Division of Public Instruction**
John Pruette, Director, Office of Early Learning

Literacy Research

Dr. Patsy Pierce, Staff

At-Risk Discussion

Dr. Patsy Pierce, Staff

Report Discussion

March 1, 2012

Proposed Committee Report

Lisa Hollowell, Staff

Dr. Patsy Pierce, Staff

NC Pre-K Additional One-Time Slots

Dr. Deborah Cassidy, Director, Division of Child Development and Early Education

SUMMARY OF COMMITTEE PROCEEDINGS

This section of the report provides a brief summary of the Committee meetings. It is not intended to be a complete, official record of those meetings. However, there is an official record of the Committee's meetings, including minutes and handouts distributed to the Committee members, in the Legislative Library.

October 6, 2011

Ms. Lisa Hollowell, Analyst with the Fiscal Research Division of the North Carolina General Assembly, presented an overview on the 2011 budget for the Department of Health and Human Services (DHHS), Division of Child Development and Early Education (DCDEE), Subsidy and NC Pre-K programs. DCDEE represents about six-percent (6%) of DHHS's budget with a State appropriation of \$266,102,933 and receipts from federal block grants, licensure fees, publication sales, and lottery funds totaling \$405,524,377. Ms. Hollowell also gave an overview of DCDEE position functions, the purpose and make-up of the Child Care Commission, child care licensure requirements, and the "Star Rating System." By August, 2011 there were 1186 four-star and 1600 five-star rated child care facilities in North Carolina.

Ms. Hollowell continued her presentation by describing the Child Care Subsidy program including eligibility requirements. In 2010-2011, 136,564 unduplicated children were served through the Child Care Subsidy program. As of August, 2011, there were 50,695 children on the waiting list to receive child care subsidy. Ms. Hollowell concluded her presentation by highlighting current budgetary actions related to early childhood care and education including the transfer of the More at Four Prekindergarten program from the Office of Early Learning in the NC Department of Public Instruction to DCDEE. The program's name was changed to NC Pre-K, but child eligibility and program quality standards remained unchanged. The NC Pre-K program received a twenty-percent (20%) reduction in funding in the current budget. At the time of this presentation, 24,625 children were being served in the NC Pre-K program.

Ms. Drupti Chauhan, Principal Attorney in the Research Division, NCGA, provided the committee with a brief history of the "Leandro" cases in North Carolina in which local school systems sued, and won, against the State for sufficient funds and supports in order to meet the NC Constitutional guarantee of a "sound and basic education." Ms. Chauhan also updated committee members on the injunction against language in S.L. 2011-145, the current budget, which were seen as barriers to providing the NC Pre-K program to all "at risk" children. Ms. Chauhan indicated that on August 15, 2011, the President Pro Tempore of the Senate and the Speaker of the House of Representatives filed a Motion to Intervene and for Clarification or Relief from the Order entered by Judge Manning on July 18, 2011.

Ms. Chauhan also told the committee that on August 10, 2011, the Governor had issued an Executive Order which directed the Department of Health and Human Services (DHHS) to consult with the Department of Public Instruction (DPI) to continue infrastructure and funding to ensure that current standards are not reduced and continue to base academic standards of NC Pre-K on the domains of child development that are needed for successful pre-K programs. The Executive Order also directed DHHS to "remove all barriers so as to encourage participation by public schools in NC Pre-K." It ordered DHHS to waive any requirement to blend private pay families with Pre-K subsidized children for public school classrooms—Section 10.7(e) of the 2011 Appropriations Act stated that DHHS "may" authorize such a waiver.

Dr. Patsy Pierce, Legislative Analyst with the Research Division, NCGA, presented the legislative history of the More at Four program including the evolution of the eligibility criteria for children to be enrolled in the More at Four program. This eligibility criteria which included family income levels and other factors is how the State defines "at risk".

Chairman Burr postponed the presentation, Implementation of NC Pre-K, by Dr. Deborah Cassidy, Director, Division of Child Development and Early Education, Department of Health and Human Services. Chairman Burr explained that additional information concerning an Executive Order relating to this topic was forthcoming and that this item would be first on the agenda at the next meeting.

The next three speakers spoke about their perspectives as providers. All speakers indicated that private centers have a history of successfully serving children from low-income families through programs like More at Four and Child Care Subsidy and have valuable experience and expertise that they bring to this area.

Linda Piper, Executive Director of the North Carolina Licensed Child Care Association

Kevin Campbell, Owner/President of Smart Kids Child Development Centers, Mecklenburg County

Dana Ramsey, Vice President of Operations for Childcare Network, Wake County

Discussion Highlights

Committee members asked questions about consequences for child care centers who do not improve on the Star Rated License system and how to help centers to continuously improve. Discussion also included at risk categories, family co-payments, and the similarities and differences between private and public classrooms serving More at Four, now NC Pre-K children.

November 3, 2011

Ms. Lisa Hollowell, Fiscal Research Division, provided committee members with a list of questions that the Division of Child Development and Early Education had been asked to answer regarding 2011 budgetary directives.

Dr. Deborah Cassidy, Director, Division of Child Development and Early Education, Department of Health and Human Services, gave a brief update on the implementation of NC Pre-K. She mentioned that the Pre-K program was successfully transitioned from the Department of Public Instruction to the Department of Health and Human Services on July 1, 2011. She noted that due to the current budget, a number of services were reduced but that did not affect the quality of services being provided. She talked about the SEEK program being the new time, attendance, and payment system, and that all 100 counties are now operational and in Phase I of the program. She also mentioned that as directed by Governor Perdue's Executive Order 100, a compliance plan was submitted October 10, 2011.

The next four speakers spoke about the federally-funded Pre-K Programs:

Khari Garvin, Director, Head Start Collaboration, addressed the Committee regarding Head Start. He said that the Head Start system is regarded as two programs: the Head Start program that serves low income children aged three to five and the Early Head Start program that serves low income children from birth to age three as well as expectant mothers. He stated that parents choose which program they would like for their child to attend, when they qualify for more than one program.

Dr. Vivian James, Coordinator for the Exceptional Children Program, addressed the Committee regarding Special Education. She said special education for children aged three is an entitlement for eligible children. This is a federal requirement under IDEA.

Dr. Cindy Bagwell, Professional Development Team Lead, Federal Programs, addressed the Committee regarding Title I Programs. She said that the Title I Pre-Kindergarten program is funded through the Elementary and Secondary Education Act. She mentioned that the Title I program allows funding for children from birth to school entry age, but traditionally, in North Carolina, only four year olds are served.

Kim Haley of Rockingham County, and Bill Batts, Small World Child Care Center and Preschool, Wayne County spoke next on the rural private provider perspectives, which included their capacity to serve "at risk" children.

Discussion Highlights

Members discussed military families being included in the "at risk" population eligible for the NC Pre-K program, eligibility for child care subsidy and pre-K programs in other states, how teachers were obtaining required education and assessments, the WAGES program, subsidy dollars unspent at the end of the fiscal year, opportunities for more private centers to participate in the NC Pre-K program, how to find children to participate in the program, and inclusion of children in the NC Pre-K program with children whose parents are paying for child care. Members also discussed licensing of NC Pre-K classrooms in public schools, evidence of the positive outcomes of early childhood programs and inclusion of children with disabilities, and the definition of "at risk."

January 5, 2012

Lisa Hollowell, Fiscal Research Division, addressed the legislative actions governing the North Carolina Partnership for Children.

Ms. Stephanie Fanjul, President, North Carolina Partnership for Children (NCPC) presented on the history, growth, and outcomes of Smart Start. Through discussion with members, Ms. Fanjul highlighted some specific programs offered through local Smart Start Partnerships which target early literacy, behavior problems, and childhood obesity.

Three local Smart Start Partnership Executive Directors presented their perspectives. Each of these Partnerships manages the NC Pre-K program(s) in their catchment areas.

Ms. Pam Dowdy, Executive Director, Wake County Partnership for Children along with Ms. Taushau Wilkinson, Data Manager, featured a data base developed by their Partnership which helps to determine eligibility and then links to the available NC Pre-K classroom to the child's home.

Ms. Barbara Whitley, Executive Director, Stanley County Partnership for Children, described programs and services to children and families in their area, including an Early Childhood Resource center, pediatric dental clinic, Parents as Teachers, and an English as Second Language (ESL) program.

Mr. Denauvo Robinson, Executive Director, Albemarle Area Partnership for Children, featured programs and services provided in a five-county catchment area in Northeastern NC.

Discussion Highlights

Committee members discussed child-behavior, nutrition and education programs for families provided through Smart Start, safety issues in child care, child outcome data linked to Smart Start and other early childhood programs, the WAGES program, and audits of Smart Start. Committee member also asked about research supporting "at risk" factors and any use of federal or private funds by local Partnerships.

February 2, 2012

Ms. Anne Bryan, Senior Policy Advisor, Governor's Office provided an overview of the recently awarded federal Race-to-the Top/Early Learning Challenge grant. The grant amount is approximately \$70,000,000 and funds will be divided among the Governor's Office early Childhood Advisory Council and other State agencies. The purpose of the grant is to strengthen and increase the quality of the State's early childhood system including infrastructure and workforce. Northeastern NC will become a targeted "transformation zone" through grant implementation.

Dr. Deborah Cassidy, Director, Division of Child Development and Early Education, highlighted that agency's role in the grant. DCDEE will be providing incentives to child care providers to meet higher standard. They will also develop a new program quality measure, complete a childhood workforce study, build professional development capacity, especially for infant-toddler program providers, revise Early Learning Standards, and support B-K teacher licensure processes.

Dr. Kevin Ryan, Section Chief, Women's and Children's Health, Division of Public Health indicated that this agency will concentrate on implementing evidence-based family strengthening initiatives, especially in Northeastern NC.

Mr. John Pruette, Director, Office of Early Learning, DPI, described the K-3 assessment, P-12 data base, and family engagement initiatives that this office will manage.

Following the presentation on the Early Learning Challenge grant, Dr. Patsy Pierce, Research Division, provided information on early language and literacy development, assessment, and instruction. The 2009 National Early Literacy Panel results served as the basis for this presentation.

Dr. Pierce then presented research on "at risk and protective" factors, "at risk" definitions for pre-K program eligibility in other states, and evidence of long-term positive child and adults outcomes from participation in high-quality early childhood programs. Cost-benefit analysis information was also provided indicating that investment in high-quality early childhood programs reduces the need for public funding for adult programs such as welfare and prison.

The meeting concluded with Representative Rayne Brown's instructions to the committee members to send in their ideas for recommendations and possible legislation to be included in the report of this Committee to the 2012 Regular Session of the General Assembly.

Discussion Highlights

Committee members indicated concern about the temporary nature of the positions and programs being created with the time-limited Early Learning Challenge grant. The members also discussed the current eligibility criteria for the NC Pre-K program compared to "at risk" factors used by other states and programs.

March 1, 2012

Representative Burr recognized Lisa Hollowell, Fiscal Analyst and Dr. Patsy Pierce, Legislative Analyst, to explain the 2012 Report of the House Select Committee on Early Education Improvement. They summarized the findings and recommendations of the Committee, and answered Committee member questions.

Dr. Deborah Cassidy, Director, Division of Child Development and Early Education, updated the Committee on where an additional 2000 slots for NC Pre-K had been placed. These slots became available through allocation of unspent subsidy funds. The slots were given to public and private sites that requested them and had the capacity to immediately enroll and serve the children.

Discussion Highlights

Representative Gill submitted an amendment to the Committee report to remove language limiting NC Pre-K classrooms to private childcare facilities (with exceptions). The Committee accepted her amendment. Rep. Cleveland discussed the use of terms such as "extreme poverty." The Committee voted to accept the report, as amended.

COMMITTEE FINDINGS AND RECOMMENDATIONS

Based on information presented to the House Select Committee on Early Childhood Education Improvement and pursuant discussion among members during their regularly scheduled meetings, the Committee makes the following findings and recommendations to the 2012 Regular Session of the 2011 General Assembly:

1. Continue funding and monitoring of early childhood programs in North Carolina

The Committee finds that high quality early childhood programs yield cost-beneficial positive outcomes for children. It is therefore the intent of the Committee that continued funding is provided for State-funded early childhood programs in North Carolina to meet the needs of a growing population and an increasing number of children living in poverty. The Committee also recommends that child learning outcomes be continuously monitored and reported to the General Assembly to ensure optimal outcomes and investment returns.

2. Establish eligibility criteria for the NC Pre-K program

The Committee finds that a substantial body of longitudinal research indicates positive learning outcomes from the provision of high-quality early childhood education programs to children whose families live in poverty. These studies indicate, and the Committee finds, the most significant effects appear to be with children from more adverse conditions. The Committee finds that there are an increasing number of children living in extreme poverty, with over 30,000 four year olds living in families whose income is at or below 100% of federal poverty guidelines. The Committee also finds that consistency of use of eligibility criteria with other prekindergarten programs, such as Head Start, will lessen confusion and increase participation of children with the greatest needs in the NC Pre-K program. Therefore, the Committee recommends that the General Assembly establish eligibility criteria for the NC Pre-K program to target children with the greatest needs.

3. Increase participation in the NC Pre-K program by private child care providers

The Committee finds that private child care facilities have the capacity to provide high quality NC Pre-K classrooms where as local schools, in some instances, are over- crowded and have limited capacity. Therefore, the Committee recommends that:

- NC Pre-K classrooms be located in an array of settings, including for-profit, not-for-profit, faith-based, Head Start, or public school classrooms. Site location shall be based on local capacity, quality, assurance of parental choice, accessibility and use of federal funds.
- The Division of Child Development and Early Education (DCDEE), working collaboratively with the NC Partnership for Children (NCPC), establish NC Pre-K rates based on provider cost data to implement the program at the level of quality as established by the General Assembly. DCDEE and NCPC shall study alternative payment structures for NC Pre-K classrooms that will maximize the number of children served. One consideration shall be setting reimbursement rates on a per classroom basis. The study shall identify benefits of contracting for entire classrooms in lieu of individual student rates and determine whether additional children may be served by

this method. The study results shall be reported to the Joint Legislative Oversight Committee on Health and Human Services by December 1, 2012.

- DCDEE establish a standard decision-making process to be used by local NC Pre-K committees for awarding NC Pre-K slots. This decision-making process shall be transparent and allow for community and parental input regarding who should administer the program, and where classrooms shall be placed.
- Licensed child care providers be offered multiple-year contracts for NC Pre-K classroom implementation.

4. Develop the capability to assess and follow child development and progress across agencies

The Committee finds that in order to continuously improve the quality of early care and education in this State and resulting outcomes for children and families, that successful outcomes and support needs should be determined at program, classroom, and child levels. The Committee therefore recommends that State agencies involved in the provision of programs and services to children ages birth to five work collaboratively with the Department of Public Instruction to build upon the K-12 data base system. In order to accomplish this goal, agencies involved in the provision of services and supports to young children and their families, such as the Child Care Subsidy program, should develop a confidential, unique identifier for children receiving these supports, as well as child outcome measures which can be linked to programs, classrooms, and services. The collaborative assessment and data base system should be able to track child progress for children receiving State assistance from infancy through high school completion.

5. Increase prekindergarten teacher quality related to early language and literacy development

The Committee finds that early language and development from birth-to-five provides an essential foundation for future academic success. In order to ensure optimal early language and literacy development, the Committee recommends that prekindergarten teachers obtain a Birth-Kindergarten teacher license and that licensure approval, in part, be based on demonstration of competencies in early language and literacy instruction, especially in the areas of oral language, phonemic awareness, alphabet knowledge, and print concepts.