

**STATE OF NORTH CAROLINA**  
**OFFICE OF THE GOVERNOR**  
20301 MAIL SERVICE CENTER • RALEIGH, NC 27699-0301

BEVERLY EAVES PERDUE  
GOVERNOR

October 10, 2011

The Honorable Thom Tillis  
North Carolina House of Representatives  
16 W. Jones Street, Room 2304  
Raleigh, North Carolina 27601-1096

The Honorable Phil Berger  
North Carolina Senate  
16 W. Jones Street, Room 2008  
Raleigh, North Carolina 27601-2808

The Honorable Joe Hackney  
North Carolina House of Representatives  
300 N. Salisbury Street, Room 612  
Raleigh, North Carolina 27603-5925

The Honorable Martin L. Nesbitt, Jr.  
North Carolina Senate  
16 W. Jones Street, Room 1129  
Raleigh, North Carolina 27601-2808

Dear Leaders:

As you are aware, on July 18, 2011, North Carolina Superior Court Judge Howard Manning issued an order in which he said that "[t]he State of North Carolina shall not deny any eligible at-risk four-year-old admission to the North Carolina Pre-Kindergarten Program (NCPK)." The Judge also directed the state to "provide the quality services of the NCPK to any eligible four-year-old who applies." Judge Manning reaffirmed that ruling last month.

North Carolina is responsible for complying with constitutional requirements as directed by our judicial branch of government. Furthermore, the NC Pre-K program (formerly known as More at Four) is a nationally recognized academic pre-kindergarten program that plays a critical role in preparing at-risk four-year-olds for scholastic success in kindergarten and beyond. This program has proven to be of great



value to many North Carolina children and families, and I believe the state should do its best to serve those at-risk four-year-olds who apply to attend the program.

For these two reasons, I am writing to request that the General Assembly appropriate additional funds, which I have identified from the existing budget, to further support this program.

Earlier today, the Department of Health and Human Services (DHHS) submitted the "NC Pre-K Compliance Plan" (the "Plan") in accordance with Executive Order 100, which I issued on August 11, 2011. The Plan states that in January 2012, North Carolina can serve an additional 6,300 children—which would bring the total number of children served roughly back to where it was in the last school year—and still meet the high-quality academic standards that my Executive Order and Judge Manning's directives require. DHHS estimates that it will cost approximately \$30 million to serve 6,300 additional children starting in January 2012.

My administration has identified \$30 million in existing funds from the budget passed by the General Assembly in June that could be redirected to provide NC Pre-K services to more at-risk four-year-olds than the budget currently allows. These are existing funds, so they can be re-prioritized to address Judge Manning's order without raising taxes, without putting the budget out of balance, and without damaging critical priorities. The funds would come from the following sources:

- 1) \$27 million from funds that are on the "bottom-line" after the closeout of the Fiscal Year 2011 budget; and
- 2) \$3 million from the Contingency and Emergency Funds – these funds have not been appropriated, thus legislative action will be needed to direct these funds to NC Pre-K.

Directing these funds to the NC Pre-K program would enable more than 6,000 additional at-risk four-year-olds to receive a pre-kindergarten education this academic year. That will put more than 6,000 additional students in a better position to succeed when they reach elementary school. If the General Assembly believes that the funds should come from sources other than the ones I have identified, I am open to discussing that, **as long as the funds would not be taken from other education needs** (including Smart Start, K-12, community colleges, and public universities).

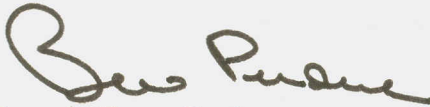
The Attorney General's Office has notified the court that it intends to file an appeal of Judge Manning's order. To be clear, I believe that the General Assembly should re-direct additional funds to NC Pre-K regardless of the outcome of the appeal. This is true both because (i) serving these children is the right thing to do; and (ii) we can do so without raising taxes, without putting the budget out of balance, and without damaging other critical priorities.

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Redirecting these additional funds will not fully implement Judge Manning's order this year. However, DHHS believes that we can serve an additional 6,300 students while still maintaining the program's rigorous academic standards. Serving these additional at-risk children this school year is a meaningful step towards complying with Judge Manning's order, especially because we are in the middle of a difficult budget year and because we are already into the current school year. The Plan that DHHS prepared provides a road map for complying with Judge Manning's order within 5 years. According to DHHS, this is the most aggressive timeline possible based on the capacity of DHHS and NC Pre-K schools. However, this is not necessarily the timeline that I or the state will choose to adopt. We will have to implement the Judge's order in a prudent and fiscally responsible fashion – the level of funding going forward will have to be predicated on the financial condition of the state. Going forward, we should endeavor to work together to fully and expeditiously implement the order on a prudent and responsible timeline.

We should recognize that investing in pre-kindergarten services for at-risk children is important, not just for each individual child served, but for the state's education system as a whole. This is because when all students enter elementary school ready to learn, all children have a better chance to succeed in school and in life. I am eager to work with you to comply with the judicial order by providing NC Pre-K services to additional at-risk four-year-olds this year.

Sincerely,

A handwritten signature in cursive script, appearing to read "Beverly Eaves Perdue".

Beverly Eaves Perdue