

Funding Request to Support Early Childhood Programs in Chatham County

CHATHAM COUNTY PARTNERSHIP FOR CHILDREN

Agenda

- Review Early Childhood Action Plan (ECAP)
- Review Needs Assessment Focus Areas
- Review Keys Findings from Early Childhood Needs Assessment
- Discussion of Fiscal Analysis Recommendations
- Review funding request from Partnership for Children
- Questions/Discussion

Early Childhood Action Plan

- Project (Chatham Kids Matter) led by Chatham County Partnership for Children.
- Funded in part by Chatham County using ARPA dollars.
- Early Childhood Action Plan was final product of year+ long study. Other items include:
 - Early Childhood Community Needs Assessment
 - Community Conversations
 - Fiscal Analysis
- Included Focus Areas, Early Childcare System Issues to Solve, Strategies to attempt to solve those issues, and Fiscal Analysis of those issues.
- The Board of Commissioners agreed to provide funding for the study because the Board recognized long-term, systemic issues related to Early Childhood Education and recognized the need to document those challenges and develop recommendations on how to meet those currently unmet needs.

Needs Assessment Focus Areas

- Child Health, Safety, and Wellbeing
 - Create safe, nurturing environments where children can thrive.
- Childcare Access
 - Expanding affordable, high-quality early education options.
- Infrastructure Development
 - Improving physical and organizational structures necessary to support early childhood programs
 - Includes: upgrading classroom facilities, creating safe outdoor play areas, implementing efficient staff workflows, establishing clear communication systems between educators, parents, and administrators, and utilizing bookkeeping software to streamline financial management.
- High-Quality Learning
 - Promoting developmentally appropriate, research-based learning to prepare children for school and life success.

Key Findings from Needs Assessment

Child Care Affordability and Accessibility

- Financial barriers to enrolling in high-quality childcare.
- Drawing from state and national research, around 35% of families with young children struggle to afford care – that would equate to 1,400-1,500 families in Chatham County.
- In 2022-23 school year, only 68% of available NC Pre-K slots were filled (compared to 96% per-pandemic) – highlighting affordability concerns and broader systemic issues such as access, location, and transportation.

Economic Development Impact

- Anticipated creation of nearly 10,000 new jobs in Chatham County will place additional stress on the childcare system.

Workforce Crisis

- Early childhood educators working in private facilities earn an average annual salary of \$26,310, significantly below Chatham County's living wage of \$18.40/hour.
- Low compensation and limited benefits result in high turnover and ongoing staffing shortages.

Provider Sustainability

- Reimbursement rates for NC Pre-K fall short of true cost of care – creating financial strain for participating providers
- Many providers rely on a patchwork of funding to offset deficits
- In recent years, several Chatham County providers have opted not to expand NC Pre-K offerings and some have withdrawn from the program entirely (citing financial infeasibility)
- High cost of operating (combined with low reimbursement) has discouraged individuals and organizations from starting new early childhood programs

Infrastructure Limitations

- As of December 2024, more than 400 children were on the waiting list for early care.
- Moncure, an area experiencing major economic development, has no licensed childcare centers.

Fiscal Analysis Recommendations

AC Priority & Rank	Recommmendations	Capital ¹	Annual Direct Cost	Annual Administration	Annual Direct Cost
1. High	Early Childhood Education Fund, including Y1 Compensation Pilot		\$600,000	\$199,002	\$799,002
2. High	Construct Childcare Center at Parkers Ridge Park ²	\$7,880,630			
3. High	Subsidize NC Pre-K Reimbursement Rates + Afterschool Care ³		\$752,466	\$75,247	\$827,713
4. High	Increase Subsidy Income Threshold to 300% FPL		\$1,590,917	\$99,078	\$1,689,995
5. Medium	Expand Pre-K to 100% Chatham median income +Afterschool Care ⁴	\$1,510,104	\$942,136	\$94,214	\$1,036,350
6. Low	Eliminate Subsidy Waiting List		\$863,028		\$863,028
7. Long Term	Universal Pre-K + Afterschool Care ⁵	\$4,293,633	\$2,961,806	\$63,844	\$3,025,650
	Total		\$7,710,354	\$531,384	\$8,241,737

Funding Request

The Chatham County Partnership for Children has requested \$799,002 in order to begin implementation of the Expanding Access to Early Learning initiative, which would fund many of the recommendations of the fiscal analysis while also allowing the Partnership for Children to dig deeper and reassess what has changed since the initial ECAP was developed. Of the total amount requested, \$600,000 is requested for direct service provision and \$199,002 for programmatic administrative costs.

The specific programs are detailed on the next slides including programmatic goals, implementation steps, budget allocation, and sustainability strategies.

Expanding Access to Early Learning

Goal

Increase the number of high-quality early learning programs and NC Pre-K slots, with wrap-around services like after-school care and transportation.

Implementation Steps

1. Conduct a needs assessment to identify underserved areas and gaps in NC Pre-K availability.
2. Fund expansion grants for existing high-quality providers to add slots in NC Pre-K classrooms or raise the rate per slot.
3. Partner with transportation providers to pilot shared transit solutions for children.
4. Support after-school programming at NC Pre-K sites through mini-grants.
5. Hire 1 Full-Time Early Learning Systems Coordinator (FTE) to manage implementation, partnerships, and reporting.

Expanding Access to Early Learning

Budget Allocation

Expansion grants for NC Pre-K slots: \$160,000

Transportation pilot program: \$30,000

After-school care mini-grants: \$20,000

Needs assessment and planning: \$5,000

1 FTE (salary and benefits): \$75,000

Total: \$290,000

Sustainability Strategies

- Advocate for increased NC Pre-K state funding based on demonstrated demand.

- Partner with school district and transit authorities for long-term transportation solutions.

- Seek recurring funding from local government and philanthropic sources for wrap-around services.

- Use impact data from the FTE's work to secure future funding for the position within the Smart Start Network.

Improving Compensation for Early Educators

Goal

Attract and retain skilled educators by aligning wages with living wage standards and supporting professional growth.

Livable wage in Chatham County for an educator is \$55,550 according to [MIT Living Wage Calculator](#).

Implementation Steps

1. Develop and pilot a tiered salary scale based on credentials and experience.
2. Provide retention bonuses to educators who commit to staying for 12+ months.
3. Offer scholarships or stipends for professional development and credentialing.
4. Host wage equity workshops for providers to adopt sustainable compensation models.

Improving Compensation for Early Educators

Budget Allocation

Retention bonuses: \$80,000

Professional development stipends: \$30,000

Salary scale development and pilot: \$25,000

Wage equity workshops & technical assistance:
\$5,000

Total: \$140,000

Sustainability Strategies

- Work with county commissioners to establish a wage supplement fund.
- Encourage providers to adopt tiered pay scales using subsidy reimbursements.
- Leverage TEACH Early Childhood® scholarships and other state resources.

Supporting Child Care Providers

Goal

Strengthen provider infrastructure and incentivize care for subsidy-eligible families.

Implementation Steps

1. Offer facility improvement grants for safety, accessibility, and classroom upgrades.
2. Provide financial incentives to providers who enroll subsidy-eligible children.
3. Advocate for increased subsidy reimbursement rates at the state level.
4. Create a provider support network for shared resources and peer learning.

Supporting Child Care Providers

Budget Allocation

Facility improvement grants: \$50,000

Incentives for subsidy enrollment: \$70,000

Provider network coordination and advocacy:
\$10,000

Total: \$130,000

Sustainability Strategies

- Establish a revolving loan or grant fund through local economic development agencies.
- Build partnerships with housing and infrastructure funders for facility support.
- Use provider network to advocate collectively for policy changes.
- Continue collaboration with Child Care Center developer.

Strengthening Family Support Services

Goal

Improve child outcomes through enhanced school readiness, health access, and parent engagement.

Implementation Steps

1. Enhance the Family Resource Center at the Partnership for Children to be a centralized resource hub for families to access services, including support for ChAMPS (maternal and pediatric wellness and supplies)
2. Fund health screenings and referrals for children in early learning settings through partnership with Piedmont Health Services.
3. Launch parent engagement workshops focused on literacy, nutrition, and advocacy.

Strengthening Family Support Services

Budget Allocation

Family Resource Center & ChAMPS support:
\$10,000

Health screenings and referrals: \$20,000

Parent workshops and materials: \$10,000

Total: \$40,000

Sustainability Strategies

- Partner with local health departments, Piedmont Health, and nonprofits for ongoing service delivery.
- Engage parent leaders to co-facilitate workshops and sustain peer support.

Summary Budget Breakdown

Strategic Priority	Budget
Expanding Access to Early Learning	\$290,000
Improving Compensation for Educators	\$140,000
Supporting Child Care Providers	\$130,000
Strengthening Family Support Services	\$40,000
Partnership Administrative Costs	\$199,002
Total	\$799,002

Other Considerations

- Many of these childcare centers are private (for-profit) entities and there are limitations on how the County can utilize public dollars to fund these programs.
- While there has been some movement at the state level around early childhood education, the best way to ensure that all parties are acting in a manner consistent with current legislation would be to rely on NCGS 160D-1311, which authorizes assistance programs for low/moderate income residents.
- Legal restrictions with providing funds for facilities improvements at privately owned facilities – County would not be able to fund that portion of request.

Other Considerations

- No funds for this program/request were included in the FY2025-2026 annual operating budget. A budget amendment would be necessary before moving forward.
- If the Board of Commissioners wishes to move forward with funding this request (or a portion), staff would recommend that the Board instruct the Manager's Office to work with Partnership to develop a contract for services that would be brought back to the Board of Commissioners at a future meeting for approval. This methodology is similar to the County's annual Human Services non-profit funding process and has worked well.

Additional Questions?
