



# Fiscal Analysis Phase 2 Draft

Research on Early Childhood Education

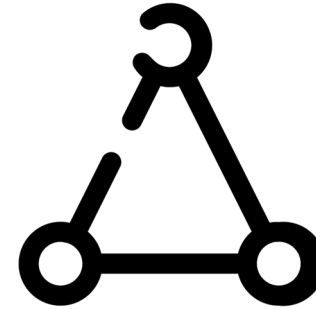
Renee Paschal Consulting, LLC

# Recap: Community Needs Assessment Focus Areas

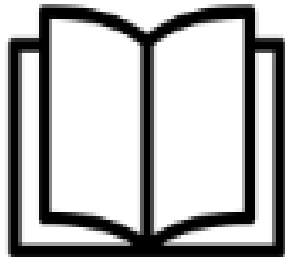
Child Health, Safety &  
Wellbeing



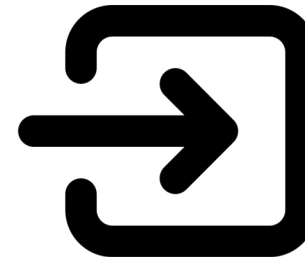
Childcare Infrastructure



High Quality Early Learning



Childcare Access

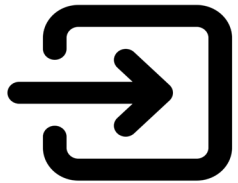




## Child Health, Safety & Wellbeing

Access to health care is inequitable.

Latinx and African American families less well served .

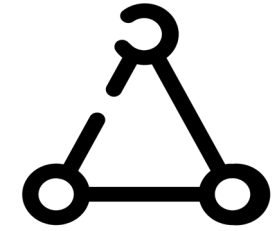


## Childcare Access

Childcare availability crisis.

Cost of childcare is unaffordable for many families.

Economic Growth & childcare shortage on a collision course.



## Childcare Infrastructure

Providers' financial struggles.

Childcare workforce pipeline is broken.



## High Quality Early Learning

Concerns about quality care.

Understandings of Kindergarten Readiness vary.

Families experience barriers to accessing NC Pre-K.

# Scope for Fiscal Analysis

Phase 1: Research state and national model programs for program elements and funding strategies

- Strategies that deal with early childcare (birth to 47 months)
- Universal pre-K

Phase 2: Based on direction from the Advisory Committee, produce up to two fiscal models

- Two fiscal models for presentation to Chatham BOC

# Early Childcare System Issues to Solve

## In the scope of the fiscal analysis:

- Workforce
- Lack of buildings
- Inadequate funding
- Wrap-around services for pre-K
- Availability of childcare
- Affordability of childcare

## Not directly in the scope:

- Lack of trust
- Rapid growth
- Health and wellness
- School readiness
- Expanding awareness of childcare crisis

# Research Showed



Most programs outside North Carolina use funding mechanisms Chatham isn't allowed to use



North Carolina local governments can only do what the General Assembly explicitly allows by law



This rules out:

- Property tax referenda
- Increasing sales tax rate
- Social impact bonds
- Sweetened beverage tax
- Etc.

# Models Reviewed

## North Carolina:

- Mecklenburg County
- Durham County
- Buncombe County
- Wake County
- Chatham County

## National Local Governments:

- Seattle, Washington
- Cincinnati, Ohio\*
- Multnomah County, Oregon\*
- Cuyahoga County, Ohio\*
- Philadelphia, Pennsylvania\*
- Salt Lake County, Utah\*
- San Antonio, Texas\*
- Portland, Oregon\*
- St. Louis, Missouri\*
- Wayzata, Minnesota\*
- Petal, Mississippi\*
- Aspen, Colorado\*

\*Reviewed case studies



# Recommendations

*Recommendations that are part of the fiscal analysis are in this format*

*Recommendations that are not part of the fiscal analysis are in this format*

# Early Childcare: Birth to 47 Months



# Barriers to Early Childcare

1. Workforce

2. Cost to families & providers

3. Lack of buildings

4. Lack of availability

# 1. Workforce

- Mecklenburg pilot was to bring all early childcare workers to median county wage for AA degree with educational improvement (never implemented):
  - 10 classrooms Year 1; 30 classrooms year 5
  - Geared to birth to 47 months
  - Centers required to accept subsidy to participate
- Buncombe Early Childcare Education and Development Fund provides grants which include hiring staff and increasing pay and benefits (as well as scholarships for families and non-capital startup costs)
- Mecklenburg, Buncombe and Forsyth provided educational supports to early childcare workers
- Wake County SmartStart has apprenticeship program
- Forsyth ties raises to educational improvement

# 1. Workforce

- Workforce pipeline needs to start in K-12
- CCCC has had little recent interest in early childhood classes

# 1. Workforce: Forsyth

30 Classrooms (centers and teachers applied) for 4-year-olds:

- 4 Head Start

- 7 school

- 9 private (not NC Pre-K)

- 10 private NC Pre-K

Targeted 2- and 3-start centers; goal is quality improvement

Teachers receive 16 hours tuition

Teachers receive 3 pay raises over course of year if on track to complete education goal

Program just started; 1-year pilot using ARP funds

# 1. Workforce: Mecklenburg

- Partnered with community college and UNC-Charlotte
- Provides pathway for teachers pursuing AA, BA and BK licensure
- Made programs easier to access with evening and online courses

# 1. Workforce: NC Early Childhood Compensation Collaborative Model Salary Scale

- Pay teachers with equal education equivalent to K-12 scale
- Pay other early childcare workers a “living wage” according to MIT Living Wage Calculator
- Statewide minimum \$16.83/hour
- Chatham’s living wage is \$18.40 hour
- Model tested by UNC-Charlotte



# 1. Workforce Recommendations

*Recommendation: Test Early Childhood Education Compensation Scale: pilot program with limited number of centers; eligibility should include subsidy acceptance. Components:*

- *20 Classrooms*
- *Target infant through Pre-K classrooms and centers with 3 stars or higher*
- *Include a yearly benefits allowance of \$1,000 per classroom*
- *Include educational attainment requirements, to be designed later*
- *Include at least one pre-K classroom*

# Cost of Pay Pilot

|   |            |
|---|------------|
| Direct salary + FICA cost of most underpaid centers         | \$ 254,772 |
| Annual Allowance for Benefits                               | \$ 20,000  |
| Total Direct Cost   | \$ 274,772 |
| 10% administrative fee                                      | \$ 27,477  |
| New position to oversee program (includes \$2,000 one time) | \$ 69,501  |
| Total Cost  | \$ 371,751 |
| Total Recurring Cost  | \$ 369,751 |

# Impact Examples:

1. Pre-K teacher has BK licensure and makes \$14/hour; the model recommends \$23.70/hour (equal to public schools teacher salary scale); the compensation pilot would fund the annual difference of \$20,170 (plus FICA \$1,543)

***Result: Teacher makes \$49,290 instead of \$29,120***

2. Result: Early childcare teacher has an associate's degree in Early Childhood Education and makes \$13.50/hour; the model recommends \$19.74/hour (living wage plus 7% for educational attainment); the compensation pilot would fund the annual difference of \$12,986 (plus FICA \$1,073)

***Result: Teacher makes \$41,066 instead of \$28,080***

# 1. Workforce Recommendations

*Recommendation: Work with CCCC and CCS to develop a pipeline of early childcare workers and leverage Chatham Promise (not part of FA)*

## 2. Cost to Families: Solutions

- Michigan Tri-Share (NC currently deciding on which counties will be included in the pilot for NC Tri-Share)
- Wayzata, Minnesota provides scholarships and parental supports
- Seattle, WA Child Care Assistance Program
  - Serves families between 60 and 94% state median income (who don't qualify for subsidy)
  - \$4.4M provided in 2022
  - Reduced amount families pay to between 10-15% (14-23% for infant care)

## 2. Cost to Families: Solutions

- Buncombe Early Childcare Education fund provided family supports
- Early Head Start for families below 100% FPL—option for family childcare homes

## 2. Cost to Families: DSS Subsidy

### CHATHAM

Available to families at or below 200% FPL

Parents pay 10% of gross income as match

No wait list since COVID; had been as high as 300

Providers must be licensed

### OTHER COUNTIES

Mecklenburg and Orange cover waitlist families

Orange has paid parent fees in the past

Mecklenburg and national examples increased income threshold:

Meck: 300% FPL

Aspen: 500% FPL

## 2. Cost to Providers: Recommendations

- *Eliminate subsidy waiting list*
- *Increase subsidy income threshold to 300% FPL*
- *Develop an Early Childhood Education Fund and grant process to support providers:*
  - *Solicit private donations*
  - *Redirect 1-2% economic development incentives to the fund (voluntary, more later)*



# Cost to Eliminate Subsidy Waiting List

|   |                  |
|---|------------------|
| <b>Funding required to eliminate wait list</b>  |                  |
| Current Monthly Average Subsidy Paid            | \$732            |
| Yearly Amount/Child                             | \$8,784          |
| Average Wait List since 2015                    | 98               |
| Projected Administrative Costs                  | 0                |
| <b>Cost to Eliminate Wait List for 200% FPL</b> | <b>\$863,028</b> |

# Cost to Increase Income Threshold to 300% FPL for 0 to 47 months

|   |                    |
|---|--------------------|
| Number families in 2022 between 200% and 300% FPL   | 2,846              |
| Projected number of kids using 200%FPL utilization rate and percent subsidy children aged 0-47 months | 181                |
| <b>Direct Cost for 300% FPL (including wait list)</b>   | <b>\$1,590,917</b> |
| DSS Administrative Costs (includes \$2,800 one-time costs)  | \$69,482           |
| Finance Administrative Costs  | \$29,596           |
| <b>Total</b>  | <b>\$1,689,995</b> |

# 300% FPL Sensitivity Analysis For Greater Utilization

| <b>Sensitivity Analysis for Higher Utilization by Families b/w 200 and 300%FPL</b> |    |           |
|--|----|-----------|
| 25%  | \$ | 2,087,725 |
| 50%  | \$ | 2,485,454 |
| 75%  | \$ | 2,883,183 |
| 100%   | \$ | 3,280,913 |

# Administrative Challenges for DSS

Existing software provided by the state will not determine eligibility at 300% FPL; new software will be required

Existing software also produces monthly payments to childcare providers; this will become a manual process for Finance

A policy will have to be developed to govern this; DSS would prefer CPCC or another agency does that with input from DSS

Difficult to capture all administrative costs; will impact MIS

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|  |                  |
|--|------------------|
| Annual Funding Request   | 600,000          |
| Less Cost of Compensation Pilot<br>(direct)                    | 274,772          |
| Net Cost Year 1 (direct)                                       | 325,228          |
| 10% Administrative Costs                                       | 32,523           |
| New position to oversee program<br>(includes \$2,000 one-time) | 69,501           |
| <b>Year 1 Total Cost</b>                                       | <b>\$427,251</b> |

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## Early Childhood Education Fund

\$600,000 annually, which includes Year 1 compensation pilot

Fundraise and solicit private donations that could be used for private childcare construction grants

Explore revolving loan concept for public funds (similar to EDC) to be used for private expansion

Redirect 2% of economic development incentives (with company's agreement) to the fund

Provide technical and grants writing assistance to centers for expansion

# 3. Lack of Buildings

- Head Start is at capacity and recently repurposed pre-K classroom for Early Head Start; federal funding is available for expansion
- County's authority for capital grants is ambiguous
  - Wake says yes for nonprofits
  - Buncombe says no
  - Very clear that county funding of capital is not allowed for private centers unless county maintains ownership and leases space (may be able to provide loans)
- Waiting list of 401 children; needs assessment calculated deficit at 1,300 slots
- 18 childcare providers wish to expand; 2 have applied for grant funding and been denied
- With a 1% average national profit margin, investment in expansion is risky for private centers without financial assistance

# 3. Lack of Buildings: Recommendations

*Work with Chatham County to build an early childcare center and pre-K at Parkers Ridge in Moncure as a model for future centers; lease building to CPCC to manage*

*Pursue federal funding available to expand Early Head Start into family childcares (not part of FA)*

*Work with EDC to target loan program for childcare facilities (not part of FA)*

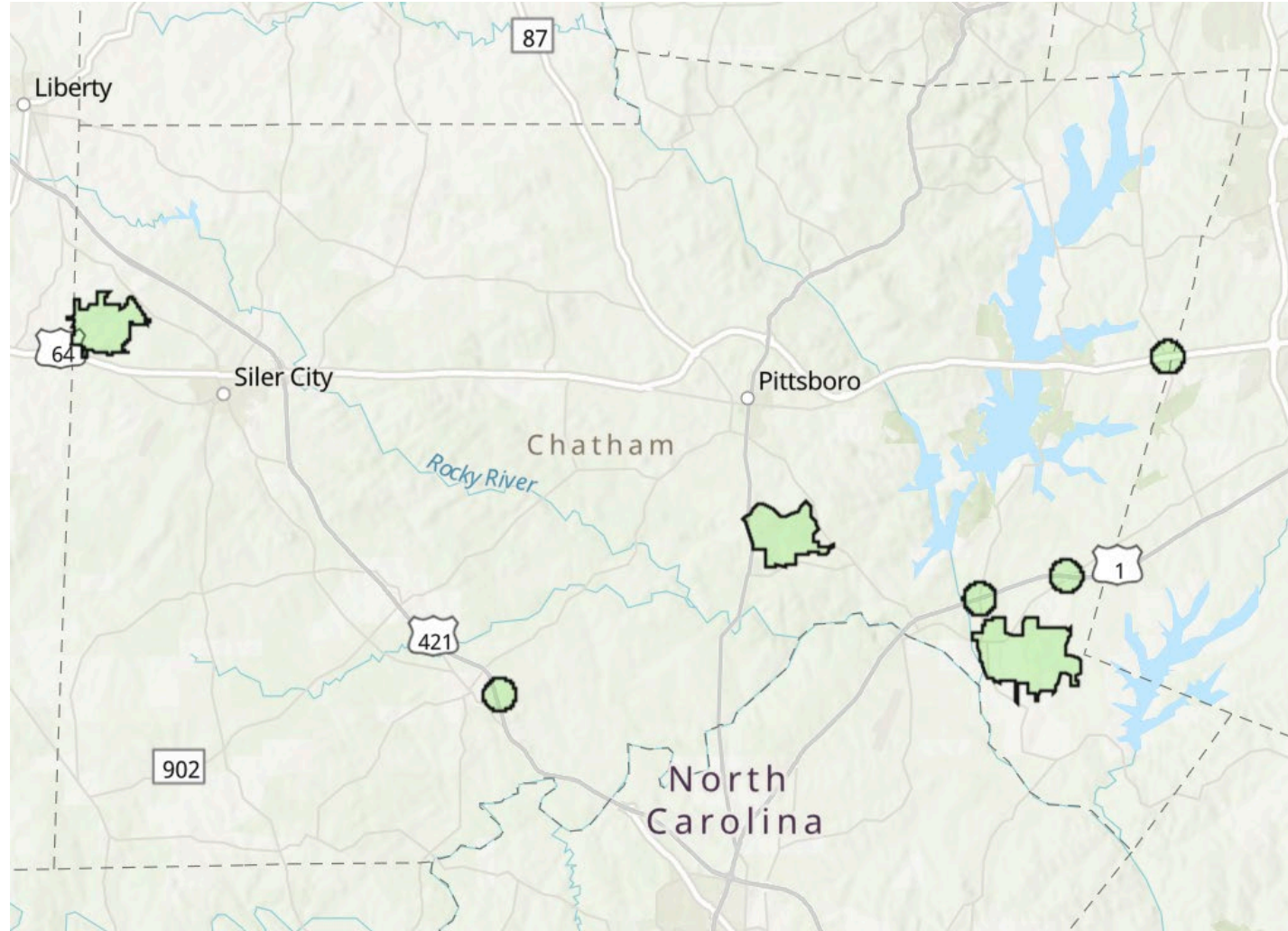
*Incentivize private companies to offer onsite daycare through county's economic development incentives policy (not part of FA)*

*Provide technical assistance for private centers wanting to expand (not part of FA)*

*Develop and implement economic development incentives policy for childcare providers*

# Employment Growth in Chatham

 Employment Centers  
(Plan Chatham)

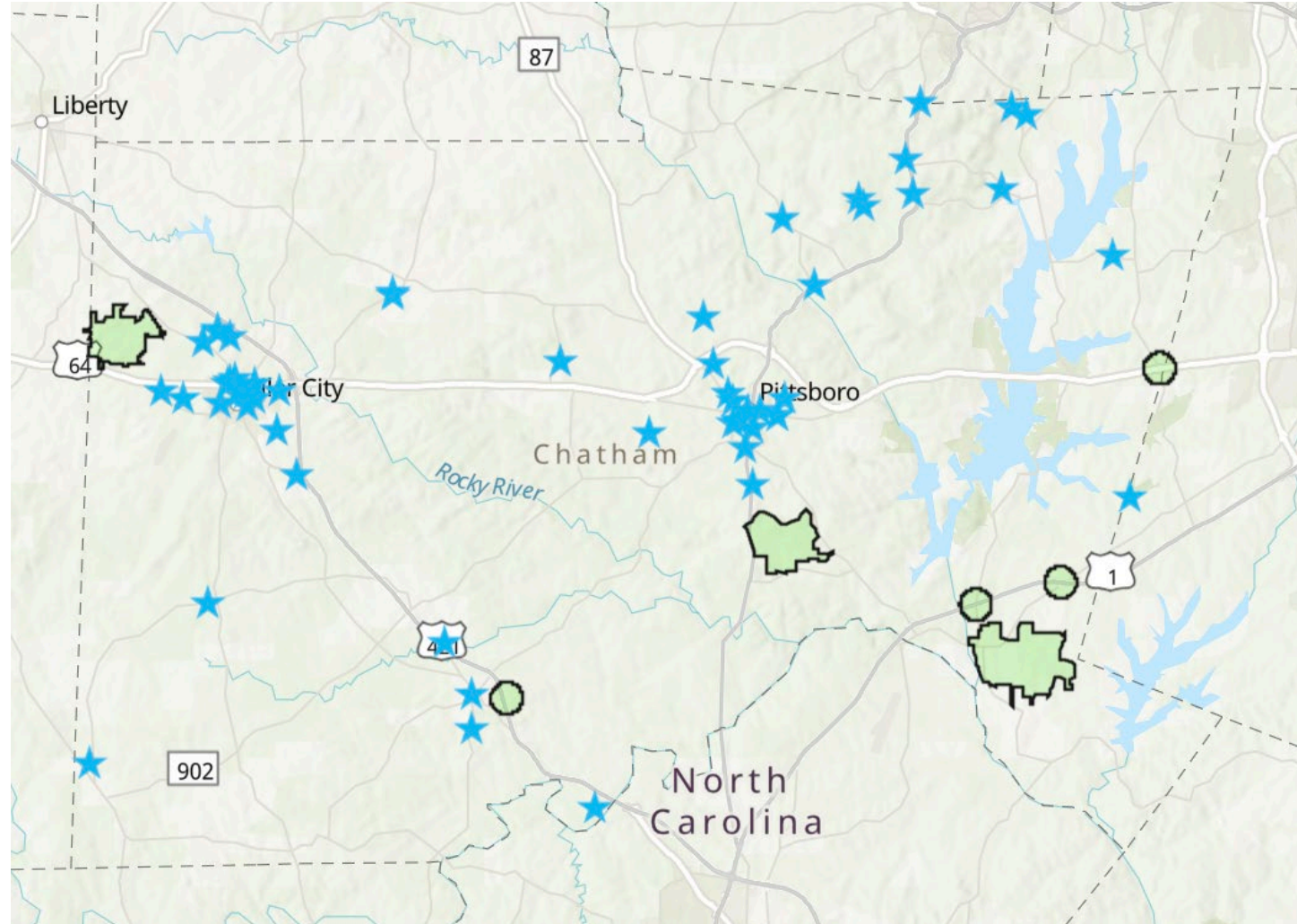




# Employment Growth & Childcare

■ Employment Centers  
(Plan Chatham)

★ Childcare Facilities  
(small centers and family homes)



# Recommendation: Co-locate ECE Center at Parkers Ridge with community center

Ideal location because of proximity to Vin Fast, Fed Ex, etc.

Would serve:

- 110 children between birth and 47 months

- 40 children in pre-K

Cost savings:

- Parking

- Shared spaces

- Shared generator

# Estimated Capital Cost to Build Childcare Facility at Parkers Ridge Park with joint community center

*NOT TO BE USED FOR CIP PURPOSES*

|                                    |             |
|------------------------------------|-------------|
| Construction                       | 3,984,750   |
| Outdoor playground                 | 90,000      |
| Generator                          | Incl. in CC |
| Contingency                        | 400,000     |
| Architect                          | 400,000     |
| Furniture, Fixtures & Equipment    | 400,000     |
| Other owner costs                  | 50,000      |
| Total                              | 5,324,750   |
|                                    |             |
| 12% annual escalation through 2027 | 7,880,630   |

# Management of Building

Lease building to CCPC to sublease to childcare provider through RFP process:

- Charge below-market rate for rent (\$10/sf)

- Rental income of approximately \$100,000 per year

- Allow CCPC to retain 10% of market rate (\$25,000 @ \$25/sf) for management

# Pre-K



# Issues and barriers to universal pre-K

1. Underutilization following COVID

2. NC Pre-K funding is insufficient

3. Workforce

4. Lack of Buildings

5. Barriers for families

6. *Extensive requirements*

# Chatham County Existing NC Pre-K

- Largest provider is Chatham County Schools with 162 NC Pre-K slots in 22/23 (CCS also had 35 private-pay students)
- Schools without NC Pre-K include JS Waters, Bonlee, Silk Hope, and **Moncure** (where 7,500 jobs are anticipated with VinFast and 300 jobs with Fed Ex opening next year)
- Next largest provider is Head Start with 54 slots in 22/23
- Children First Learning Center with 18 slots in 22/23
- Sonflower Seeds with 9 slots in 23/24
- NC Pre-K is free to families earning less than 75% of state median income; providers are reimbursed from the state through CCPC

# A Word about “Universal” Pre-K

- Only Mecklenburg offers truly universal pre-K within the state, but has a 46% utilization rate; if the utilization rate were higher, it’s unclear if funding would be provided to make this program truly “universal”
- Several states are considered to offer a universal program, but only **Vermont, Florida, Oklahoma**, and **DC** offer truly universal programs\*
- Alabama, California, Georgia, **Iowa**, New Jersey, New Mexico, New York, **West Virginia** and **Wisconsin** offer universal eligibility but have funding caps or other constraints\*
- The National Institute for Early Education Research (NIEER) considers programs with 70% enrollment of 4-year-olds to be universal

\*The states bolded above achieved the NIEER threshold in 2021



# 1. Low Utilization

- Only 68% of available pre-K slots were filled in 22/23; pre-Covid 96% of slots were filled
- No waiting list for CCS except Chatham Grove (private pay)
- Private center waiting list unknown
- Head Start has no waiting list

|                                |                           | 19-20      |            | 22-23                    |            |
|--------------------------------|---------------------------|------------|------------|--------------------------|------------|
|                                |                           | Slots      | Enrollment | Slots                    | Enrollment |
| Chatham County Schools         | Bennett                   | 174        | 15         | 18                       | 14         |
|                                | Chatham Grove             |            | 9          | 18                       | 7          |
|                                | North Chatham             |            | 26         | 18                       | 12         |
|                                | Perry Harrison            |            | 21         | 18                       | 15         |
|                                | Pittsboro Elementary      |            | 32         | 36                       | 29         |
|                                | Siler City Elementary     |            | 34         | 36                       | 34         |
|                                | Virginia Cross Elementary |            | 36         | 18                       | 18         |
| <i>Total CCS</i>               |                           | <i>174</i> | <i>173</i> | <i>162</i>               | <i>129</i> |
| Chatham Child Development Ctr. |                           | 18         | 18         | <i>Closed</i>            |            |
| Head Start                     |                           | 52         | 52         | 54                       | 48         |
| Children First Learning Center |                           | 17         | 15         | 18                       | 15         |
| Robyn's Nest                   |                           | 9          | 8          | <i>Closed</i>            |            |
| Pasitos Felices                |                           | 8          | 2          | <i>Not participating</i> |            |
| <b>Totals</b>                  |                           | <b>278</b> | <b>268</b> | <b>281</b>               | <b>192</b> |

# 2. NC Pre-K Funding—Chatham County Schools

CCS receives \$571.85 per student from NC Pre-K and CCPC

CCS charges private-pay students \$750 per month

Without an infusion of Title 1 funds, the program operates at a deficit

No administrative overhead or cost of space is charged to the pre-K budget; other funding sources cover

The operating budget is less than 5% of total budget (most is teacher salaries)

| <b>Without Title 1 and adding in Administrative Overhead</b> |              |
|--|--------------|
| FY 23 deficit  | (131,141.79) |
| Annual deficit/student                                       | (1,016.60)   |
| Monthly deficit/student                                      | (101.66)     |

## 2. NC Pre-K Funding: Head Start & Private Centers

- Private providers receive \$719 per child per month
- Interviews with childcare centers that closed pre-K programs show that the low reimbursement rate is a key factor
- Head Start receives \$420 per child per month, but these funds are supplemented with federal funds (Head Start serves families earning below 100% of FPL)
- Only Head Start indicated that the reimbursements covers program costs

## 2. Funding Strategies

- Mecklenburg provides a subsidy to bring all providers to \$900/month/child
- Mecklenburg also works with private childcare centers to provide “universal” pre-K (known as Meck Pre-K and pays full cost)
- Buncombe recently began subsidizing NC Pre-K as follows:
  - Private Center: \$297/month/child
  - Public School: \$218.25/month/child
  - Head Start: \$174.50/month/child
- Durham has sliding scale: Families above 400% FPL pay 2% of income
- Cincinnati, OH provides scholarships for low-income families

## 2. Funding Strategies: Recommendations

*Recommendation: Calculate the deficit for each NC Pre -K provider and provide a supplement to cover full costs for existing pre-K students (we used inflation rate to bring to current levels)*

*Increase income threshold to 100% Chatham's median income (v. 75% of state) – (calculating this was not possible given data available so 400% of FPL used as proxy)*

*Require sliding scale or flat fee for those above Chatham's median income—CCS requires that the \$750 monthly fee remain in place, so we recommend against a sliding scale fee*

# Cost to Increase NC Pre-K Reimbursement Rates

| Providers                           | 2023/2024 Rates | 2012/2013 Rates | Proposed 2024/2025 Rates | Difference | 2022/2023 Enrollment | Cost Assuming Current Enrollment | 2022/2023 Slots | Cost at "Maximization" |
|-------------------------------------|-----------------|-----------------|--------------------------|------------|----------------------|----------------------------------|-----------------|------------------------|
| Head Start                          | \$420           | \$300           | \$396                    | (\$24)     | 48                   |                                  | 54              |                        |
| Public Schools                      | \$515           | \$473           | \$624                    | \$109      | 129                  | \$141,074                        | 162             | 177,163                |
| Private                             | \$719           | \$600           | \$792                    | \$73       | 24                   | \$17,520                         | 27              | \$19,710               |
| Total Direct                        |                 |                 |                          |            | 201                  | \$158,594                        | 243             | \$196,873              |
| Administrative Costs for CCPC @ 10% |                 |                 |                          |            |                      | \$15,859                         |                 | \$19,687               |
| <b>Total Cost</b>                   |                 |                 |                          |            |                      | <b>\$174,453</b>                 |                 | <b>\$216,561</b>       |

# Cost Scenarios to Increase Income Threshold to 400% FPL

All Private: \$906,048 annually/\$0 capital

All CCS: \$714,268 annually + \$3 million capital

50/50 Private/CCS: \$810,158 annually + \$1.5 million capital

# Cost Scenarios for “Universal Pre-K”

All Private: \$3,482,186 annually

All CCS: \$ 2,745,124 annually + \$11.6 capital

50/50 Private/CCS: \$3,113,655 annually + \$5.8 capital



# Impact of Increasing Income Threshold on CCS Private Pay Revenue

|   |           |
|---|-----------|
| Scenario 1: Half of Students Now Eligible for Publicly Funded Pre-K |           |
| Reduction in Private Pay  | (144,375) |
| Increase in Rates Overall   | 177,163   |
| Plus Increased Rates for 17 Children                                | 106,141   |
| Net Increase for CCS  | \$138,929 |
|   |           |
| Scenario 2: All of Students Now Eligible for Publicly Funded Pre-K  |           |
| Reduction in Private Pay  | (288,750) |
| Increase in Rates Overall   | 177,163   |
| Plus Increased Rates for 35 Children                                | 218,526   |
| Net Increase for CCS  | \$106,939 |

# 3. Workforce Options: Pay and Benefits

- Many jurisdictions, including Mecklenburg, Durham, and Buncombe, pay private centers to bring teachers to the same level as public schools
- The NC Early Childhood Compensation Collaborative (NCECCC) recommends paying teachers and instructional assistants with equal training on the same level as public schools
- Pay comparable benefits to school system (currently at 48% of salary cost); NCECCC provides a list of benefits, but does not recommend a specific set
- Concerns: CCS is having difficulty recruiting teachers and instructional assistants for its pre-K program; and an influx of funding to private centers may siphon off employees

# 3. Workforce Options: Recommendations

- *Tie per month pre-K subsidy to paying teachers and instructional assistants as recommended by NCECCC (at least one-pre-K classroom included in compensation pilot above)*
- *Do not require a specific level of benefits, but provide \$1,000/year*
- *Cost already included in Compensation Pilot*

# 4. Lack of Buildings

## CCS

- Has one vacant pre-K classroom at Perry Harrison (18 slots)
- Based on 22/23 enrollment, CCS and other providers have capacity for 42 students plus Perry Harrison classroom, also state recently increase classroom size from 18 to 20 students, which also increases current capacity)
- Since 2005, CCS has included pre-K classrooms in new schools
- Future schools (one planned for Chatham Park) will also include
- Repurposing classrooms possible if school has capacity
- Construction of a pre-K playground may be required
- Schools have attempted to start pre-K program at JS Waters, but not enough interest

## 4. Lack of Buildings

- Sonflower Seeds has applied for an expansion grant from DHHS and has physical capacity for 4 additional students (update: grant denied)
- Any significant expansion of pre-K will require that facilities be renovated or constructed
- One option is for the county to construct buildings and lease to private providers; park in Moncure seems an ideal site
- Another option is for CCS to repurpose other classrooms, but that may not be possible if the school does not have capacity; may also have to build pre-K playground

# 4. Lack of Buildings: Recommendations

- *Model includes capital cost per child:*
  - *Cost for Parker's Ridge is \$30,126/child in today's dollars*
  - *Cost for CCS (Chatham Grove) is \$29,040/child in today's dollars (includes classroom space only)*
- *Recommendation: "Maximize" existing pre-K programs before significantly expanding (i.e., building classrooms)*
- *Pursue idea of Moncure childcare center (to include pre-K)—Cost presented above*

# 5. Barriers for families

## Lack of afterschool care:

- Schools used to offer, but stopped (YMCA now provides):
  - Chatham Grove—0
  - North Chatham, Perry Harrison, Pittsboro—5 each
- Private providers may offer (Sonflower does)

## Transportation:

- Regulations for CCS are prohibitive
- The real problem is believed to be afterschool care
- Mecklenburg County saw only 6% utilization of transportation

# 5. Barriers for Families: Recommendations

*Recommendation: Include funding for afterschool care for families meeting income threshold (currently 75% state median income)*

*Wait to see if this adequately resolves barriers for families before funding transportation*



# Afterschool Care Cost “Worst Case”

|  | <b>Cost</b>         |                             |              |
|--|---------------------|-----------------------------|--------------|
| Total Direct at Maximization/YMCA Rate | \$                  | 555,593                     |              |
| Administrative Costs                   | \$                  | 55,559                      |              |
| <b>Total Maximization Cost</b>         | <b>\$</b>           | <b>611,153</b>              |              |
|  |                     |                             |              |
|  | <b>Direct Costs</b> | <b>Administrative Costs</b> | <b>Total</b> |
| <b>Expansion</b>                       | \$                  | 205,629                     | \$ 20,563    |
|  |                     |                             | \$ 226,192   |
| <b>Universal</b>                       | \$                  | 790,287                     | \$ 79,029    |
|  |                     |                             | \$ 869,316   |

# Other Recommendations

- Not in FA:
  - Modify County's economic development incentives policy to (not in FA):
    - *Weight on-site childcare or financial assistance with childcare as major factor in policy*
    - *Weight company's participation in flexible spending account as a minor factor in policy*
    - *If Tri-Share is implemented statewide, weight participation as major factor*
    - *Weight agreement to participate in Early Childhood Education Fund (2% of incentives) as a major factor*
  - Track data, evaluate, and consider additional strategies in the future (not in FA)
  - Single portal of entry application for pre-K

# Other Recommendations

- In FA:
  - *Designate CC Partnership for Children as management entity; model cost to administer—administrative costs are included in all applicable models above*

# Summary of Recommendations in FA

## Workforce:

- Test compensation model for ECE
- Pay pre-K teachers on par with CCS

## Cost to families:

- Eliminate subsidy waiting list
- Increase subsidy threshold to 300% FPL
- Increase pre-K threshold to 100% Chatham median income

## Cost to providers:

- Develop ECE Fund

# Summary of Recommendations in FA

## Lack of Buildings:

- Build childcare center/pre-K in Moncure to serve as model
- Calculate cost/child for construction

## Pre-K Funding

- Maximize existing NC Pre-K
- Calculate deficit for each Pre-K provider type and supplement
- Include afterschool care in funding

Designate CCPC as entity to manage (administrative costs included)

# Summary of Recommendations Not in FA

## Workforce:

- Work with CCCC and CCS to develop workforce pipeline leveraging Chatham Promise

## Lack of Buildings:

- Pursue federal funding to expand Early Head Start into family homes
- Work with EDC to target Small Business Loan program to childcare
- Change economic development incentives policy to incentivize on-site childcare and contribution to ECE Fund

## Other:

- Change incentives policy to include financial assistance with childcare and FSA
- Track data, evaluate, and consider additional strategies

# Prioritized List of Recommendations for County Funding

|   | Recommendation   | Priority                 |
|---|--|--------------------------|
| 1 | Early Childhood Education Fund (includes Compensation Pilot in Year 1)         | High (#1)                |
| 2 | Parker's Ridge   | High                     |
| 3 | Subsidize Pre-K Reimbursement Rates + Wrap Around Care (Maximization)          | High                     |
| 4 | Expand DSS Subsidy to 300%   | High                     |
| 5 | Expand Pre-K to 400% FPL (using 50/50 scenario) + Wrap Around Care (Expansion) | Medium                   |
| 6 | Eliminate Subsidy Waitlist (currently no waiting list)                         | Low                      |
| 7 | Universal Pre-K  | Low (Long-Term Priority) |

Questions/Comments

