

## Creating Opportunity: An Action Plan for Early Childhood Education

A Report by the Mecklenburg County Early Childhood Education Executive Committee

September 26, 2017

The research is clear: Early childhood experiences wire the brain for learning and lay the foundation for success that extends well into adulthood. This makes access to early care and education (ECE) programs for children from birth to age five critically important to the success of children in school and their ability to become productive members of society.

The release of a study<sup>1</sup> ranking Charlotte 50<sup>th</sup> of 50 cities in terms of economic mobility was a call to action for the Charlotte community, which has already begun to respond in two significant ways:

- The Charlotte-Mecklenburg Opportunity Task Force<sup>2</sup> was formed and after studying the issues, called for the community at large to “*boldly embrace and rally around a vision of Charlotte-Mecklenburg as a community that cares about all our children and youth—regardless of income, race or zip code—and where all our children feel they belong, have big dreams, and find the opportunities to achieve those dreams.*”<sup>3</sup>

The Task Force identified early care and education as its first determinant and called on the community to “*make the necessary investments to ensure all children in Mecklenburg County from birth to age five have access to quality early care and education.*”<sup>4</sup>

- The Mecklenburg Board of County Commissioners (BOCC) adopted a resolution supporting early childhood education for all children birth to age five.<sup>5</sup>

### **Mecklenburg County Commission Resolution Supporting Early Childhood Education For All Children from Birth to Age 5**

*“It is hereby resolved, that the Mecklenburg Board of County Commissioners supports early childhood education in Mecklenburg County for all resident children from birth to age five (5) and developing and advancing a community vision for early childhood education, including identifying reliable funding mechanisms and developing a phased plan for achieving that community vision.”*

Resolution adopted, December 20, 2016, <https://mecklenburg.legistar.com/MeetingDetail.aspx?ID=450516&GUID=0FCFAF2E-A5BC-4910-9EE7-9D0F607581A6&Options=info&Search=>



In response, County Manager Dena Diorio asked a broad array of stakeholders to join an Executive Committee, which over a nine-month period:

- Met 13 times for in-depth discussion and review of research;
- Examined Mecklenburg County’s ECE landscape and access to ECE programs for children from birth to age five;
- Considered opportunities, challenges, and costs to expand access to high-quality ECE programs for all children under age five in the county;
- Discussed lessons learned from other communities with innovative ECE models; and
- Developed recommendations to significantly expand access to ECE programs over the next six years, creating a pathway forward to one day reach all children birth to age five.

### Mecklenburg County Poll Strong Support for ECE Expansion

Nearly 90% of respondents expressed support for expanding access to high-quality early care and education programs.

#### Gathering Community Views

To gauge public interest and will in ECE expansion for *all* children ages birth to five, a county-wide poll was commissioned and conducted between May 16, 2017 and June 13, 2017.<sup>6</sup> Of 1,000 total respondents, support for expanding access to high-quality child care and public pre-k was strong across income, age, gender, race, ethnicity, level of education, and households with and those without young children.

#### Mecklenburg County Residents Support Paying for Early Learning Programs

The poll asked whether respondents would be willing to pay higher taxes to support ECE access. Half of respondents were asked if they would pay \$10 more a month in taxes to support ECE and the other half were asked whether they would be willing to pay \$20 more a month in taxes.

#### Willing to Pay \$10 More in Taxes Per Month

- **72%** of respondents said they would be willing to pay \$10 more in taxes each month to increase access to high-quality child care for young children.
- **71%** of respondents said they would be willing to pay \$10 more in taxes each month to support voluntary, universal public pre-k for 4-year-old children.

#### Willing to Pay \$20 More in Taxes Per Month

- **71%** of respondents said they would be willing to pay \$20 more in taxes each month to increase access to high-quality child care for young children.
- **65%** of respondents said they would be willing to pay \$20 more in taxes each month to support voluntary, universal public pre-k for 4-year-old children.

Between March and August 2017, 12 focus groups were held with key stakeholders (i.e., parents, child care providers, child care teaching staff, child care home providers, employers or business representatives, the higher education community, ECE trainers and technical assistance specialists, and community advocates) to gain further insight into public will and to better understand concerns, experiences, and assets within the community.

Across all focus groups, there was support for expanding access to high-quality child care and voluntary, universal public pre-k. All groups agreed that a strong ECE workforce is critical for high-quality programs, that low pay makes it hard to hire and retain quality staff and fuels high turnover (which adversely affects program quality and undermines a child's need for continuity of care), and that any expansion should include parent engagement strategies.

Child care providers said they had or could create physical capacity to serve additional children through any ECE expansion initiative. It was noted that the current child care workforce would need support (tuition assistance) if expected (or willing) to meet NC Pre-K teacher qualifications (a BA and B-K teacher license) since only 40% of lead teachers (and 17% of assistant teachers) in child care programs currently have an AA in ECE or higher level of education.<sup>7</sup>

Support was also expressed by directors and teaching staff for on-site technical assistance/support to help translate knowledge gained to evidence-based practice. All focus groups expressed strong support for evaluation to ensure continuous quality improvement, accountability, and to promote child development and growth.

#### Current ECE Landscape

Mecklenburg County has a history of supplementing state resources to support ECE services and to reach additional children beyond state funding. Child Care Resources Inc. (CCRI) was created in 1982 to be the backbone organization for the county's child care system based on a BOCC recommendation that a private, nonprofit organization be established to coordinate child care services, offer an array of supports to child care providers, and administer child care subsidies.<sup>8</sup> Bright Beginnings (a public pre-k program serving 4-year-old children at academic risk) was created by the Charlotte-Mecklenburg Schools (CMS) superintendent in 1998 and is supplemented through county funding.<sup>9</sup> Most recently, the County FY18 budget included a \$6 million increase to reduce the waiting list for child care subsidy.<sup>10</sup>

#### Current Early Care and Education Need

- 70,716 children in Mecklenburg County are under age 5.<sup>11</sup>
- 51,411 children under age 6 live in families where all adults are working (about 73% of children under age 6 within the county – far higher than the statewide average of 65%).<sup>12</sup>
- 22,107 children under age 5 are eligible for a child care subsidy (working families below 200% of the federal poverty level).<sup>13</sup>

There are three main ECE programs serving children birth to age five:

- Licensed child care serves children birth to age 5 (as well as school-age children through age 12)
- Public pre-k for 4-year-old children who are either academically at risk (Bright Beginnings) or whose families have income below 75% of the state median income (NC Pre-K, operated predominantly within child care centers)
- Head Start and Early Head Start serve children in poverty (Head Start for 3 and 4-year-olds; Early Head Start and Early Head Start-Child Care Partnerships for children birth to age 3).

According to Charlotte-Mecklenburg School projections, about 12,000 children annually enter kindergarten.<sup>14</sup> Less than one-third participate in the two public pre-k programs operating in Mecklenburg County to serve 4-year-old children: Bright Beginnings and NC Pre-K.

- 2,800 children are enrolled in Bright Beginnings<sup>15</sup>
- 1,006 children are enrolled in NC Pre-K<sup>16</sup>

The relationship between high-quality child care, public pre-k, Head Start, Early Head Start, and Early Head Start-Child Care Partnerships is that each of these programs is an early learning setting. Access currently varies by eligibility criteria (i.e., income or other criteria) and availability of funding.

*Mecklenburg County has a robust infrastructure for ECE delivery and support.*

Seventy-eight percent of all children birth to age five enrolled in licensed child care attend higher-quality 4- and 5-star child care programs (with 91% of children whose care is subsidized enrolled in 4-and 5-star programs).<sup>17</sup>

*However, child care is expensive, and families with young children struggle to afford it.*

**Mecklenburg County’s Youngest Children  
Current ECE Assistance, Birth to Age 5**

Child Care Subsidy	4,164
Bright Beginnings	2,800
NC Pre-K	1,006
Head Start & Early Head Start	600
Early Head Start-Child Care Partnerships	203

Sources: Child Care Resources Inc. (CCRI) June 2017, Charlotte-Mecklenburg Schools (CMS) June 2017, and Bethlehem Center of Charlotte, June 2017.

*There is simply not enough funding to meet the need.*

Only 19% of income-eligible children receive assistance, and there are nearly as many children under age five on the waiting list (3,905) as those who receive assistance (4,164).<sup>18</sup>

**Annual Cost of Child Care  
Center-based Programs in Mecklenburg County**

Infants	\$11,700
Toddlers	\$11,388
2-3 Year-Olds	\$10,868
3-4 Year-Olds	\$10,452
4-5 Year-Olds	\$10,296

Source: Child Care Resources Inc. (CCRI), June 30, 2017

Public pre-k (NC Pre-K and Bright Beginnings),<sup>19</sup> Head Start and Early Head Start,<sup>20</sup> and Early Head Start-Child Care Partnerships<sup>21</sup> all have waiting lists.

While ECE waiting list information is a snapshot in time and changes daily, and many families do not even put their children’s names on waiting lists due to long wait periods, waiting lists are still a good indication that demand significantly exceeds available funding.

**Early Care and Education Waiting Lists  
In Mecklenburg County**

Child Care Subsidy Under Age 5	3,905
Bright Beginnings, 4-year-olds	1,063
NC Pre-K, 4-year-olds	1,892
Head Start and Early Head Start	1,449
Early Head Start-Child Care Partnerships	167

\* Waiting list numbers cannot be totaled without the possibility of duplicating children who may be on more than one of these lists.

Sources: Child Care Subsidy and EHS-CCP, Child Care Resources Inc. (CCRI); public pre-k, Charlotte-Mecklenburg Schools (CMS); and Head Start and EHS, Bethlehem Center of Charlotte. June 2017. CCRI is currently working to certify eligible families and link them to subsidy to draw down the \$6 million in the FY18 County budget.

**The Pathway Forward**

The Executive Committee spent considerable time discussing challenges and opportunities related to accessing high-quality child care and public pre-k. ECE models currently implemented in various communities were discussed. A half-day retreat was held to review challenges facing the ECE workforce and to discuss strategies to build and strengthen the ECE workforce for an expansion of public pre-k classrooms.

While the recommendations in this report will not guarantee access to high-quality ECE programs for all children birth to age five, the Executive Committee believes that the recommendations do provide a significant start toward that end.

## The Executive Committee's 5-Point Plan

The Executive Committee's five recommendations represent an integrated strategy to expand ECE programs in a phased-in manner.

**Recommendation 1:** *Clear the child care subsidy waiting list for children under age five.*

This recommendation promotes:

- Children's healthy development at a time when rapid brain development is forming the foundation for school readiness (and life), and
- Family economic stability linked to parent employment.

*Cost:* \$28.3 million in the first year and carried forward throughout the 6-year period.<sup>22</sup>

**Recommendation 2:** *Implement a six-year phase-in for voluntary, universal public pre-k for all 4-year-old children, with a sliding fee scale for tuition payments applied to families above 200% of poverty.*

- The first three years would add 812 children each year (in 45 new classrooms each year) to reach all 4-year-old children at or below 200% of poverty, and
- Years 4-6 would add 1,372 children each year (in 76 new classrooms each year) to reach remaining children.

*Note:* Over the next 6 years, 364 classrooms would be needed.

**Recommendation 3:** *Implement ECE Workforce Talent Development and Retention strategies to meet ECE workforce needs related to high-quality child care programs and an expansion of public pre-k in child care programs.*

- Pay comparability with CMS teachers for public pre-k teachers with a BA and B-K license in child care centers;
- Annual retention grants of \$1,200 for pre-k and birth-to-five child care lead teachers (a pilot subject to evaluation);
- Pay comparability for child care teaching staff with an AA in ECE to the median wage in Mecklenburg County for individuals with an AA degree (a pilot subject to evaluation);
- On-site technical assistance and coaching to support teachers in translating knowledge gained to evidence-based practice; and
- Higher education tuition assistance, tied to classroom performance, for child care teachers who choose to pursue higher education coursework on their own time (a pilot subject to evaluation)

*Cost:* Recommendations #2 and #3 are interrelated. The integrated cost is \$13.4 million in Year 1 rising to \$49.1 million in Year 6.

**Recommendation 4:** *Develop a strong evaluation component tied to ECE investment.*

- External evaluation of program quality, including teacher assessments;
- Internal evaluation including ongoing child assessments using age- and developmentally-appropriate tools to promote healthy child development; and
- Evaluation of pilots

*Cost:* TBD based on phase-in, identification of assessment tools, and price negotiation.

**Recommendation 5:** *The Board of County Commissioners should consider a revenue increase, restrict its use to ECE expansion, and subject the expansion initiative to evaluation for continuous quality improvement.*

The Executive Committee reviewed the polling, revenue estimates prepared by the Mecklenburg County Financial Services Department on an array of options, and the distributional impact among those options.

- Counties have a local option to increase the sales tax by one quarter of a penny (Article 46 sales tax, G.S. 105-535)<sup>23</sup> through a County referendum. The ballot cannot stipulate specific uses for the sales tax, however, the County Board of Commissioners could adopt a separate resolution stipulating how the revenue would be used. The Mecklenburg County Financial Services Department estimates that a .25% sales tax increase would yield about \$50 million per year.
- The current property tax is .8157 for every \$100 of assessed value. An increase of a penny (to .8257 for every \$100) would yield \$12 million per year. For the average residential property valued at \$208,176, an increase of a penny would mean an annual average cost increase of \$21 (about \$1.75 per month).<sup>24</sup>



### A Call to Action

Children are only young once. The science related to brain development and its connection to school success, school performance, high school graduation rates, workforce readiness, and opportunities and future earnings is well established. The return on investment in high-quality ECE programs is also well documented.

The “Chetty” report,<sup>25</sup> which ranked Charlotte 50<sup>th</sup> out of the nation’s 50 largest cities with regard to upward mobility for its youth, wasn’t just a warning bell – it was a call to action to ensure that all children, regardless of family income, gender, race, or ethnicity, have equality in economic opportunity.

### High-Quality ECE Programs Economic Return on Investment (ROI)

Nobel Laureate economist James Heckman released new research in 2016 that found:

Every dollar spent on high-quality, birth-to-five programs for disadvantaged children delivers a 13% annual return on investment.

Children were not the only beneficiaries – the economic benefits of the additional wages earned by parents with access to high-quality care paid for the cost of the program after five years.

Heckman, J., Garcia, J., Leaf, D., Prados, M., Center for the Economics of Human Development at the University of Chicago. The Life Cycle Benefits of an Influential Early Childhood Program. Working Paper 2016-035. (Dec. 2016). [https://heckmanequation.org/assets/2017/01/Garcia\\_Heckman\\_Leaf\\_et\\_al\\_2016\\_life-cycle-benefits-ecp\\_r1-p.pdf](https://heckmanequation.org/assets/2017/01/Garcia_Heckman_Leaf_et_al_2016_life-cycle-benefits-ecp_r1-p.pdf)

The pathway to economic opportunity is through access to ECE programs to give children from birth to age five the strong start they need to start school ready to learn.

Executive Committee members reviewed revenue options and strongly felt that financing options are within reach for a significant expansion of ECE programs. Public will, as evidenced through the Mecklenburg County poll and focus groups, supports such investments.

As a first step toward ECE access for all children from birth to age five, the Executive Committee recommendations lay out a plan to clear the child care subsidy waiting list for children under age five and to phase-in voluntary, universal public pre-k for all 4-year-old children over a six-year period.

Executive Committee members also feel strongly that this report is only the beginning and look forward to focusing on strategies specifically related to children from birth to age 3, given what the science shows about brain development in a child’s earliest years and what evidence-based research shows works for our youngest children.

The time is now. The Executive Committee has outlined a plan and resources, and public will exists to fund it. It is time to move from putting thoughts and recommendations on paper to putting the policies and resources in place to promote economic opportunity for all children within the county.

More detail is available about the current landscape, the components of the plan, and the costs associated with a series of recommendations for a phased-in approach in the following sections of the Executive Committee’s full report.

## Notes

- <sup>1</sup> Where is the Land of Opportunity? The Geography of Intergenerational Mobility in the United States. Raj Chetty, Nathaniel Hendren, Patrick Kline, and Emmanuel Saez, *Quarterly Journal of Economics* 129(4): 1553-1623, 2014. NBER Working Paper No. 19844. January 2014 JEL No. H0,J0. [http://www.equality-of-opportunity.org/assets/documents/mobility\\_trends.pdf](http://www.equality-of-opportunity.org/assets/documents/mobility_trends.pdf)
- <sup>2</sup> Charlotte-Mecklenburg Opportunity Task Force, <https://leadingonopportunity.org/about/>
- <sup>3</sup> Leading on Opportunity, <https://leadingonopportunity.org/>
- <sup>4</sup> Ibid.
- <sup>5</sup> Mecklenburg Board of County Commissioners, December 20, 2016. <https://mecklenburg.legistar.com/MeetingDetail.aspx?ID=450516&GUID=0FCFAF2E-A5BC-4910-9EE7-9D0F607581A6&Options=info&Search=>
- <sup>6</sup> The Mecklenburg County poll was conducted by the Committee for Economic Development and the Early Learning Policy Group between May 16 and June 13, 2017. The survey reflects 1,000 residents age 18 and older throughout Mecklenburg County on both landline and cell phones. The margin of error for the full sample is +/- 3%. For items that were asked of only half the sample (split questions), the margin of error is +/- 4.5% at the 95% level of confidence. The same was weighted to be demographically representative of the county.
- <sup>7</sup> Child Care Services Association, (2015). Fact Sheet: Early Care and Education Workforce in Region 6. [http://www.childcareservices.org/wp-content/uploads/2016/01/regional-factsheets\\_Part6.pdf](http://www.childcareservices.org/wp-content/uploads/2016/01/regional-factsheets_Part6.pdf)
- <sup>8</sup> Child Care Resources Inc., History & Overview. <http://www.childcareresourcesinc.org/about-ccri/history-overview/>
- <sup>9</sup> Charlotte Mecklenburg Schools (CMS), Prekindergarten: Bright Beginnings, More at Four, Board of Education Presentation, 2010. <http://www.cms.k12.nc.us/boe/ComprehensiveReview/Documents/June%20Board%20Work%20Sessions-Pre-K%20Documents-Complete%20Packet.pdf>
- <sup>10</sup> Mecklenburg County Budget for FY2018, <https://www.mecknc.gov/CountyManagersOffice/OMB/Pages/FY18-Budget.aspx>
- <sup>11</sup> NC Office of State Budget and Management, July 2015 County Total Age Groups by Single Year, [https://files.nc.gov/ncosbm/demog/countytotals\\_singleage\\_2015.html](https://files.nc.gov/ncosbm/demog/countytotals_singleage_2015.html)
- <sup>12</sup> U.S. Census Bureau, Table B23008 Age of Own Children Under Age 18 in Families and Subfamilies by Living Arrangements by Employment Status of Parents, 2015 American Community Survey 1 Year Estimates. North Carolina. [https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS\\_15\\_1YR\\_B23008&prodType=table](https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_15_1YR_B23008&prodType=table)
- <sup>13</sup> Child Care Resources Inc. (CCRI), June 2017
- <sup>14</sup> Charlotte-Mecklenburg School, Budget Book, 2017-2018. <http://www.cms.k12.nc.us/mediaroom/Documents/Budget%20Book%202017-2018%20Proposed%20Budget%20Recommendation.pdf>
- <sup>15</sup> Charlotte-Mecklenburg School System presentation to the Executive Committee May 1, 2017.
- <sup>16</sup> Ibid.
- <sup>17</sup> Child Care Resources Inc. (CCRI), June 2017
- <sup>18</sup> Child Care Resources Inc. (CCRI), June 2017
- <sup>19</sup> Charlotte-Mecklenburg Schools (CMS), June 2017.
- <sup>20</sup> Bethlehem Head Start Center, June 2017
- <sup>21</sup> Child Care Resources Inc. (CCRI), June 2017
- <sup>22</sup> Estimated based on 6/30/17 child care subsidy waiting list at CCRI
- <sup>23</sup> [http://www.ncga.state.nc.us/EnactedLegislation/Statutes/HTML/ByArticle/Chapter\\_105/Article\\_46.html](http://www.ncga.state.nc.us/EnactedLegislation/Statutes/HTML/ByArticle/Chapter_105/Article_46.html)
- <sup>24</sup> Mecklenburg County Finance Office Property Tax Estimates, March 2017
- <sup>25</sup> Where is the Land of Opportunity? The Geography of Intergenerational Mobility in the United States. Raj Chetty, Nathaniel Hendren, Patrick Kline, and Emmanuel Saez, *Quarterly Journal of Economics* 129(4): 1553-1623, 2014. NBER Working Paper No. 19844. January 2014 JEL No. H0,J0. [http://www.equality-of-opportunity.org/assets/documents/mobility\\_trends.pdf](http://www.equality-of-opportunity.org/assets/documents/mobility_trends.pdf)

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