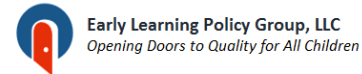




Mecklenburg County Early Childhood Education (ECE) Expansion Study

BOCC Public Policy Meeting
September 26, 2017



Early Childhood Education Review

- **July 2016:** RFP issued for consultation services
- **October 2016:** CELC funds ECE expansion study
- **December 2016:** BOCC adopts resolution
- **Dec. 2016 – Aug. 2017:** ECE Executive Committee work

Tameika Leslie,
Project Manager

Early Childhood Education Initiatives
Mecklenburg County
County Manager's Office



Overview: Phase 1 To Date

Over 9 months, the Executive Committee:

- Met 13 times, including 3 half-day retreats
- Examined the County ECE landscape
- Considered opportunities, challenges, and costs
- Discussed lessons learned from other communities
- Developed recommendations

Solicited Community Views:

- County-wide Poll,
May 16 – June 13, 2017
- 12 focus groups,
March – August 2017

(parents - including sessions with Hispanic parents conducted in Spanish; child care providers; child care teaching staff; employers and business representatives; the higher education community; ECE trainers and onsite specialists; and community advocates)



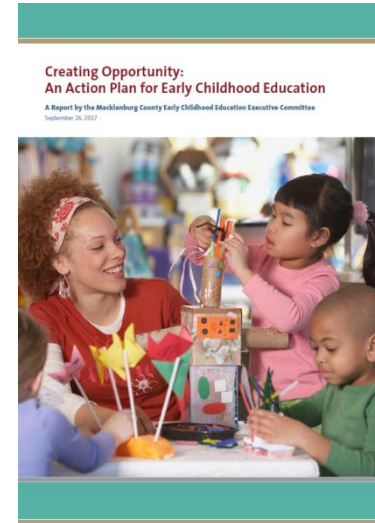
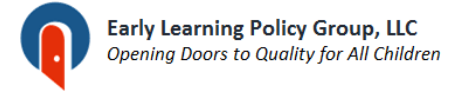
ECE Report Overview

Mecklenburg County ECE Landscape:

- **70,716** children under age 5
- **51,411** children under 6 with working parents
- **22,107** children under age 5 eligible for child care subsidy (working families, income below 200% of FPL)
- **12,000** children enter kindergarten annually

Gap:

- **5%** (803 out of 15,759) eligible children under age 5 living in poverty are served through Head Start/Early HS
- **19%** (4,164 out of 22,107) eligible children under age 5 receive child care assistance
- **31.7%** (3,806 of 12,000) 4-year-olds are in public pre-k



Sources: U.S. Census Bureau; Child Care Resources Inc. (CCRI); Charlotte-Mecklenburg Schools (CMS); Bethlehem Center of Charlotte. June 2017

ECE Report Overview

Bottom Line:

- Mecklenburg County has a robust infrastructure for ECE delivery & support (e.g. programs in place, training, TA, and higher education are available)
- Child care center enrollment is at 78% of licensed capacity (5,478 unused slots). Focus groups indicate centers have or can create physical capacity.
- Insufficient funding creates access barrier

Main ECE Programs

(# of Children Served)

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); Charlotte-Mecklenburg Schools (CMS); and the Bethlehem Center of Charlotte. (June 2017).

Result: Long waiting lists, school readiness gap



ECE Expansion Workforce Challenges

Mecklenburg County child care teachers - Low pay, high turnover, no benefits

- Pay is about \$11 per hour/\$22,880 per year
- Turnover is 28% (compared to statewide average of 19%)
- 40% of lead teachers and 17% of assistant teachers have an AA in ECE or higher

ECE Workforce: Multiple strategies will be needed to provide staffing for public pre-k

- Hire teachers within the county, throughout the state, from other states
- Provide a pathway for current child care workforce to get credentials (AA, BA +B-K license)



NC Pre-K requires teachers to have a BA and B-K license or be in the process of obtaining one.



Mecklenburg County ECE Workforce Data: Child Care Services Association, [2015 North Carolina Child Care Workforce Study](#). December 2015.

Brain Development – Birth to 5

Brain wiring is critical



The brain is built rapidly, laying the foundation for social, emotional, cognitive, and physical development

Investments lead to:



Lower costs
for elementary school remediation and grade retention



Increased
high school graduation rates, future wages and tax receipts

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

Nobel Laureate economist James Heckman:

- Every dollar invested delivers a 13% annual return on investment.

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

Sources: Harvard University Center on the Developing Child, Committee for Economic Development (CED)

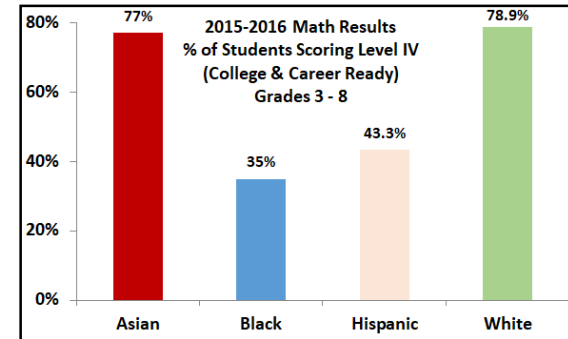
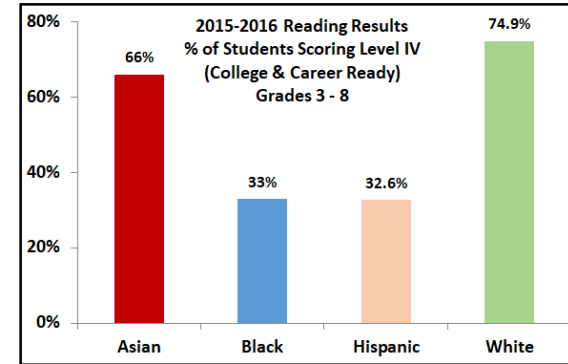


School Readiness Gap Costs/Savings

Charlotte-Mecklenburg Schools (CMS) 3rd Graders Retained in Grade, (2015-2016)

- 2,401 students
- \$22.5 million for these students to repeat a grade in school

Source: [Charlotte-Mecklenburg Adopted Budget for 2016-2017](#), (August 2016). Per student spending for 2016-2017 is \$9,396; [Department of Public Instruction, Report to the North Carolina General Assembly](#), Improve K-3 Literacy Accountability Measures (October 2016).



Source: Charlotte-Mecklenburg Schools (CMS)

High School Drop-Outs (2015-2016)

- 1,050 students dropped out in CMS. 664 were boys.
- Studies show 10% of male drop-outs wind up in jail.
- Annual Cost \$72,354 per inmate in Mecklenburg
- \$4.8 million per year

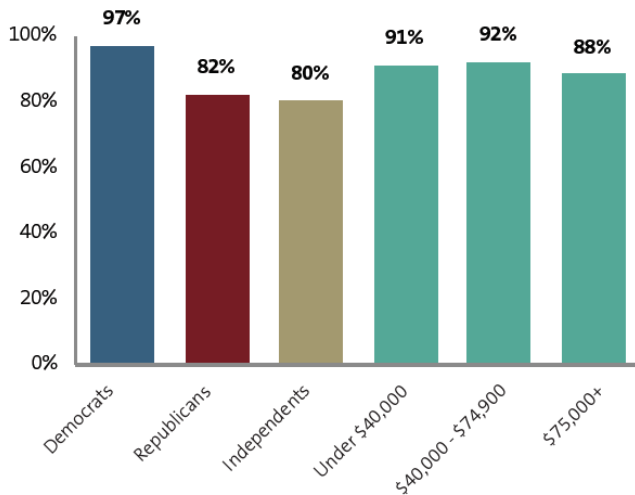
Source: Department of Public Instruction, [Report to the North Carolina General Assembly, Consolidated Data Report, 2015-2016](#). (March 2017).



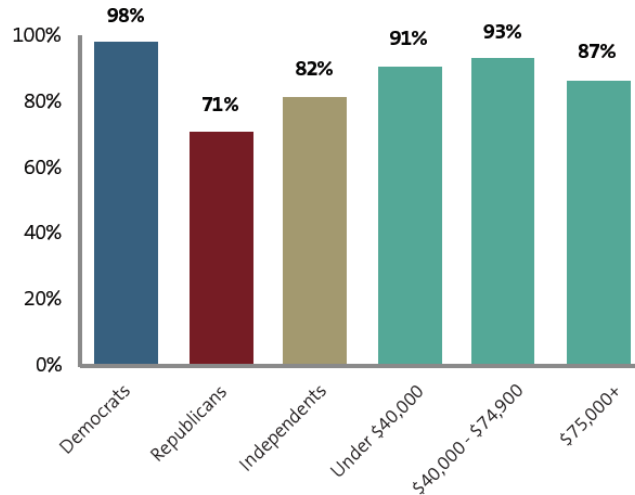
Public Will – Polling Results

Starting School Ready to Learn is Important

Broad Bipartisan Support for Expanding
Child Care for Birth to Age 5



Broad Bipartisan Support for Expanding
Voluntary, Public Pre-K for 4-Year-Olds



93% agree that children do better in school if they start school ready to learn

The Mecklenburg County poll was conducted 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 of 1,000 is +/- 3%.



Public Will – Polling Results

Willing to Pay \$10 More in Taxes Per Month

- **72%** yes to expand access to high-quality child care
- **71%** yes to support voluntary, universal public pre-k

Willing to Pay \$20 More in Taxes Per Month

- **71%** yes to expand access to high-quality child care
- **65%** to support voluntary, universal public pre-k

76% of respondents said they would be more likely to support a tax increase if it were subject to the results of an evaluation about how the program is working.



5-Point Plan

- 1) Clear the child care subsidy waiting list for children under age 5 (3,905 children) Cost: \$28.3 million in each of the next 6 years)
- 2) Implement a 6-year phase-in for voluntary, universal public pre-k for 4-year-old children, with a sliding fee scale for tuition payments (families above 200% of FPL)
 - **Years 1-3**, [below 200% FPL] add 812 additional children each year in 45 new classrooms each year
 - **Years 4-6**, [Above 200% FPL] add 1,372 additional children each year in 76 new classrooms each year



Costs for recommendation #2 (expansion) and #3 (workforce) are interrelated & appear on the next slide.



Note: About 364 more pre-k classrooms expected

5-Point Plan

3) Implement ECE workforce talent development & retention strategies to meet workforce needs:

- Pay comparability with CMS teachers for public pre-k teachers with a BA and B-K license in child care centers
- On-site technical assistance and coaching

Pilots subject to evaluation:

- Annual retention grants (\$1,200)
- Pay comparability for child care teaching staff with an AA in ECE to the median wage in Mecklenburg County (performance-based)
- Higher education tuition support



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



5-Point Plan

4) Develop a strong evaluation component tied to ECE investment

- External evaluation of program quality, including teacher assessments
- Internal evaluation including child assessments
- Pilot evaluation

5) Identify a revenue source, restrict its use to ECE expansion, and subject the expansion initiative to evaluation for accountability and continuous quality improvement.



Cost: Evaluation costs TBD based on phase in, tools selected, and negotiation.

Overall ECE Initiative: \$41.6 million in Year 1 rising to \$77.4 million in Year 6 (includes sliding fee scale for public pre-k)



5-Point Plan Overall Costs

Birth to Age 5, Expansion Costs of Early Care and Education in Mecklenburg County		
	Year 1	Year 6
	2018-2019	2023-2024
Child Care		
Clear child care subsidy waiting list, birth to age 5 (3,905 children cleared & carried forward to maintain)	\$28,274,160	\$28,274,160
Pre-k Expansion & Workforce		
Voluntary, universal public pre-k expansion (includes sliding fee for pre-k)	\$13,406,257	\$49,143,586
Voluntary, universal public pre-k expansion (excludes sliding fee for pre-k, free pre-k)	\$13,406,257	\$71,355,977
Total ECE Initiative		
Total ECE initiative (includes child care subsidy waiting list and voluntary, universal public pre-k expansion with a sliding fee scale for pre-k)	\$41,680,417	\$77,417,746
Total ECE initiative (includes child care subsidy waiting list and voluntary, universal public pre-k expansion without a sliding fee scale -- free public pre-k)	\$41,680,417	\$99,630,137



Includes:

- Start up costs
- Transportation (58% assumption)
- Non-federal costs for children identified with disabilities (\$1,952 per child)



Next Steps

Financing Options to be Considered:

- **Local option sales tax** increase of .25% through a public referendum (also requires a separate resolution to tie to revenue). Estimate: \$50 million per year (Per household cost based on consumption)
- **Property tax increase** (currently .8157 per \$100). An increase of a penny yields \$12 million per year. For the average residential property valued at \$208,176, a penny would mean an average annual increase of \$21 (\$1.75 per month).

Fall 2017 Study: Phase 2

- Design phase
- Evaluation construct
- Identification of any negotiated prices (e.g., start-up costs, materials & supplies, curriculum)
- Training & TA needs
- RFP & contract needs
- Public education campaign



ECE Access Matters

- The science about brain development is clear.
- The current 3rd-8th grade EOY test scores are clear.
- Access to ECE can be a game-changer; a pathway to economic opportunity – for all children, regardless of income, race, gender, and ethnicity



Mecklenburg County Poll:

81% said the County should do more to make high-quality early childhood education programs available; **13%** said doing enough; **6%** said do less.



Thank You

Thank you for your time
and the opportunity to
share the Executive
Committee report with
you. Questions?

