

When it comes to child care/early education, NC has a nationally recognized model and proven track record in many areas. We must **strengthen what is working well** and build upon it, not diminish it. In order to maximize our resources and potential, we should focus our attention and efforts on identifying areas where we could do better and not hesitate to make changes to improve processes and outcomes. We should do so in a way that recognizes the complexities of the system, the full impact on NC children, families and taxpayers, and potential unintended consequences. The strengths and areas for improvement shared in this document are not intended to be exhaustive or comprehensive, but are those that stand out based on my experiences.

#### Strengths:

- The number of highly rated licensed child care/early education centers (with 4 and 5 Stars) that serve both NC Pre-K and subsidy-eligible children has increased in recent years.
- According to the Frank Porter Graham Child Development Institute, licensed providers are producing positive outcomes for NC Pre-K-eligible children.
- DCDEE has listened to feedback from providers and worked with them.
- New infant/toddler rates effective 2016 will be helpful

#### Areas for Improvement:

- **Continue to strive for consistencies across the state:** Programs would benefit from consistency from county to county across the state. Successful programs (and processes) should be benchmarked and used to develop "best practices" and/or requirements for less successful programs.
- **Find ways to help improve teacher wages:** For all of the ever-growing education requirements, responsibilities, and liabilities, the system in place makes it virtually impossible to pay child care/early education professionals enough. Because state program reimbursements are below the cost of care, because there are limits on what providers can charge private-pay families for care, and because child care costs are already so high; providing adequate and competitive wages for child care/early education professionals is a serious challenge for licensed providers that should be examined and addressed through subsidies, scholarships, and other innovations.
- **Recognize the positive impact of child care subsidies on communities and reduce/eliminate the waiting list:** Child care subsidies not only provide access to high quality early care and education for NC children, but also allow parents/family members/guardians to work. (Subsidies are only available for *working* families.) Employees with dependable child care are absent less and more productive and children in high-quality child care programs are safer and (do better) perform at a higher level in school than those left home alone or in unlicensed programs.
  - **Subsidy reimbursement rates:** There is a huge rate disparity between different NC counties; yet, we expect quality to be consistent. (Rates are not as disparate with NC Pre-K. Why are the two systems structured so differently?)
  - **County tier designations:** These should be re-examined and re-set if subsidy market rate increases are going to be based on tier designations. (An example is Carteret County.)
  - **Star-rating system challenges:** The cost of achieving a higher star rating is often higher than the benefit of the 5-star subsidy rate. This deters providers from striving to achieve a 5-star license.
  - **School-age co-payment and eligibility changes:** Recent changes have been tough on NC families, providers, and ultimately children. The changes in subsidy rates and qualifications for school-age children has decimated enrollment in many 4- and 5-star centers, forcing parents who no longer qualify for subsidies to choose unlicensed programs or "home-alone" situations in record numbers.

- **Think in terms of children not parents:** We often think of subsidies as a reward/punishment for parents. We should always remember the impact we are making on children and their futures.
- **NC Pre-K is a vital program to improve NC student outcomes. Licensed private providers are a critical part of the delivery system that should be better utilized to improve access and parent choice.**
  - **Local NC Pre-K advisory boards/committees need more consistency:** Counties should be more uniform in the standards, documentation, and reporting requirements from NC Pre-K providers.
  - **Multi-classroom NC Pre-K sites work well (staff synergy, collaboration, reduced costs, etc.):** Clustering of NC Pre-K classrooms should be studied as potential synergies boost performance and reduce costs over that of single-classroom sites.
  - **NC Pre-K rates:** The salary scale trends up annually because the cost-of-living increases, teacher experience increases and licensed child care/early education providers are competing with public schools for teachers (without the State Retirement System and State Health Plan as benefits and with an ongoing teacher shortage), but NC Pre-K reimbursement rates do *not*.
  - **Rates do *not* cover the cost of care:** Rules, regulations and policies such as group size/ratios and teacher education requirements make the cost of these programs extremely high. At current reimbursement rates, it is difficult to cover program costs and extremely challenging to employ highly experienced “lead teachers.”

#### Experience-based Observations:

- **Achieving additional efficiencies will require us to be holistically creative:** Recent program cuts have squeezed the system to the point that it will take new ways of thinking and doing things in order to get any more out of it. More cuts will likely yield short-term harmful impacts on NC families and providers and long-term negative impacts on the state’s economy.
- **Create certainty for providers:** Look toward a long-term, multi-year funding program. By doing this, licensed providers would have the certainty they need in order to make long-term investments in their programs.
- **Enable technology improvements:** Embrace technology and work together to develop more efficient and effective systems for administering these programs.
- **Ensure programs that are measurable and sustainable:** 18 states were awarded new preschool development grants to increase access to high-quality preschool programs in 2014 – NC was not one of them!
- **Recognize that the best results for NC children will be produced by thriving, successful providers:** From the center owners to the teachers to the administrative and other staff members, licensed providers are delivering the early care and education for NC children and families and producing the positive outcomes. We should not allow or perpetuate a system or culture that does not foster and support thriving, successful private child care/early education centers.
- **Utilize long-term planning:** Don't "shock the system." The system has many moving parts. Making wholesale changes would be disruptive. The vision should not include having to re-train every classroom teacher, center director, licensing consultant, DCDEE staff member, technical assistance provider, etc. Small changes can and should make a difference.
- **Touch those touching children:** Improving wages, self-worth, retention, and recruitment will directly impact quality and the children of NC.
- **Be fair to children:** These are tough decisions! When it comes to allocation let’s make sure we are being fair to the children!