

House Select Committee Presentation, 10-6-2011

Kevin Campbell-Mecklenburg County resident, Owner/President Smart Kids Child Development Centers

I am Kevin Campbell from Mecklenburg County. I am a state-licensed private-sector child care provider. We have been in business for nearly 20 years and serve at-risk children. We have three, five star centers in Charlotte and one four but soon-to- be five-star center in Gaston County. The centers are licensed to serve at total of 500 children. We have been offered More @ Four since it was first offered, with as many as eight classrooms. I am personally involved with the centers on a daily basis and I hold a level-three child care administration credential. I also served on the local More @ Four committee for several years.

If I may, I would like to share with you a brief overview of the first child care center I purchased and still operate. I believe the story of our center and many like it statewide can help to better guide the future of state-funded child care programs and plays very much to the reason for this meeting.

The first center I operated was acquired in May of 1993. The origin of the center dates back to the 1940's. The founder of the center sold it in 1988 to the people I purchased it from. So for nearly 70 years the center has been in continuous operations and I am only the third owner. The center is located one block off of North Tryon near the North Tryon and Eastway Drive intersection, on the outer edge of the Hidden Valley Neighborhood. This is relevant and you'll find out why as I share my recent experiences and challenges with you.

During this 70 year history, needless to say, there have been many changes. Physically there have been two buildings built and many upgrades. More importantly, as I see it, there have been two major categories of changes. They are as follows:

First, the regulatory environment of child care has evolved significantly. When the center was started I do not believe there were any child care regulations. Today, the child care industry is highly regulated by multiple government bodies. These laws, rules and regulations are both state and federal. They include the Division of Child Development and Early Education, Environmental Health, Fire Codes, Building Code and all of the other agencies that other businesses deal with such as the NCDOT, OSHA, and local city codes and laws.

And secondly, federal and state programs such as child care subsidy, Smart Start and North Carolina Pre-Kindergarten have been established. I believe that is what we are here to talk about today and I hope that my 18-plus years of experience can be helpful.

Getting to the meat of my comments, I will speak about serving at-risk four-year-olds. Any child care center that serves subsidized children that enrolls four-year-olds is serving at-risk four-year-olds – and has been for many years. I can say this because the eligibility requirements are nearly the same for child care subsidy and NC Pre-K; they are based on the income of the families. I am not sure when child care

subsidy started, but it was before I entered the profession, so at least 20 years ago. Many centers that serve children receiving subsidy are able to offer four or five-star care, but More @ Four and now NC Pre-K have allowed private centers to serve at-risk children in child care centers at a higher level.

Here's what I mean: The centers' owners have not changed and in many cases the staff has not changed, but programs have been able to offer enhanced services because funding has been provided through More at Four/NCPK for lower ratios; additional and better materials; better training and more focused curriculum. Without state resources the addition of these enhancements all rest on private providers and/or families. Without state resources the cost of pre-kindergarten is raised, negatively impacting those least able to afford it.... many "at-risk" children. In other words, once resources are made available the private child care community is able to offer high quality pre-kindergarten services to more of the families that need it.

To that point, I am a supporter of a delivery system that looks first to the private sector to serve at-risk children and then to the public sector to augment as needed. I believe that this approach creates private sector jobs, serves children in their neighborhoods and solidifies the property tax base. Private providers have the experience and a proven track record. We have the community/family relationships, and we have shown we can do it efficiently and effectively.

I am concerned, however, that my goals are not shared. To illustrate, I would like to share two recent television news stories from Charlotte. On August 17, WSOC-TV had a story about closing eight pre-kindergarten classrooms. The program was downsized due to reduced funding, but the specific classrooms selected were based on "need" or geographic location. The news story said, "Since CMS (Charlotte-Mecklenburg Schools) manages Pre-K in Mecklenburg County, school officials will decide which eight classrooms are cut based on geographical need." Then on September 14, WBTV had a story about overcrowded schools and the need to use mobile classrooms. It reported, "All the new PreK-8 schools have mobiles. Now students who learned inside a school building last year are now forced to learn outside in mobile classrooms."

Let me bring these two stories together. The eight classrooms mentioned in the first story, those that were closed, were all NC Pre-K classrooms in the private sector. I know this very well because my center was selected as one with low need and we lost funding forcing us to close a classroom. That room is still sitting vacant as I speak to you today. The second story tells of elementary students being displaced to mobile classrooms in schools with Pre-K classrooms. In other words, eight classrooms in the private sector were closed, creating the need for eight additional mobile classrooms, and the cost of these classrooms, in the public schools.

Speaking only to the one classroom my center lost, families were negatively impacted and additional cost incurred. As I mentioned above, my center serves the Hidden Valley Neighborhood. The reason given for closing the NC Pre-K classroom at my center was lack of need or low number of children. There is no lack of children. In fact, there is a very large waiting list of children for pre-kindergarten in

Mecklenburg County. What actually happened is this: CMS is busing children to its own site which houses Pre-K.

For the Hidden Valley/ North Tryon areas where my center is located, children are being bused to University Meadows Elementary School and possibly other schools. University Meadows Elementary has 10 to 11 Pre-K classrooms and uses more than that number of mobile classrooms. From the middle of the Hidden Valley neighborhood to University Meadows Elementary is approximately 7.5 miles in the most direct route – which includes traveling on major city streets and state highways. From the middle of Hidden Valley to my center is less than one mile and does not require even crossing a major street.

To summarize this occurrence of events, a private classroom in close proximity to where at-risk children live was closed, so that the same children could be bused at least an additional 6.5 miles on busy streets to a public school site, using mobile classrooms for elementary-aged children that were in school building classrooms last year! And while I am talking, let me add that the public schools hired two of my Pre-K teachers at the beginning of this school year, which should clearly indicate their confidence in my centers' staff and the qualifications of those who I employ to teach children.

So from my view point, my center lost a classroom; and children are being bused farther from home at the expense of taxpayers, so that they can be taught by the same teacher they would have had teaching them in my center. I ask you today: Does this make sense? Is it best for the children and families? Is it best for our local communities? Is this collaboration?

As I stated earlier, I believe strongly that the private sector has done a good job and can continue to do a good job of teaching at-risk four-year-olds and preparing them for kindergarten. I ask that we all work together so that we maximize the limited recourses available to serve the maximum number of children at a level of care that gives positive measurable outcomes. I strongly believe that private providers are an important partner in this endeavor and critical to our collective success when it comes to meeting our Pre-K goals.

At this point I will stop and turn the floor over to the next speaker.

I truly thank you for your time today and look forward to continuing to work with you in the weeks and months ahead.

House Select Committee Presentation, 10-6-2011

Linda Piper, Executive Director, NC Licensed Child Care Association

I am Linda Piper, Executive Director of the North Carolina Licensed Child Care Association.

I came to this organization and this role as a provider – as a second-generation provider, in fact. My mother first, and then she and I together, owned and operated two 4-star centers in Wilson County. We cared for approximately 350 children before we sold our last center five years ago.

Now my role is to lead this association as it serves as a liaison, resource and advocate for private child care providers. We compile information, organize it on our website so providers can find it all in one place, and communicate with the professionals who are busy caring for children every day so that families can work.

We fill a critical need and void for private providers. Their work makes it hard for them to focus on anything beyond what's right there in front of them in their centers. They are not able to leave their centers, children and staff to attend a Child Care Commission meeting or Subsidy Advisory Committee meeting held during the work day. That's just one of the many ways we connect our members and all private providers to activities and happenings in Raleigh and around the state that directly impact their businesses and the families they serve.

When I started as a part-time Executive Director for NCLCCA seven years ago, we had 38 companies and 173 centers as members. Today, we have 181 company members and over 400 centers in our membership. Our member centers, on average, are licensed for 122 children each.

We have faith-based programs, Head Start programs, small family-owned sites and multi-state companies within our membership. We have for-profit and some non-profit providers. More than just our members, however, we represent the voices of many others who are just starting to learn about our organization and who are grateful to discover we exist.

We have the capability of being an amazing resource for you, as lawmakers, and for the myriad of regulating bodies with which we must work. We have an active board of directors and technology in place to reach out and get feedback from providers almost instantly. More than once, when I have given feedback during a meeting at DCDEE or within an advisory committee, I've been told "Wow, I never thought about it like that." Or "That would never have crossed my mind." Our perspective is one that should be welcomed.

I believe that we are at a crossroads in child care and early education in our state, and many of our members agree based on what I am hearing from the field. Recent changes in the early childhood system, combined with today's economic realities, have led to a great deal of uncertainty and confusion. As a testament to this, our annual

leadership conference is this weekend, in Greensboro, and we have a record number of attendees this year. Private providers are thirsty for information, clarification, support, and opportunities to give meaningful involvement and input.

As the voice for private providers, we continually solicit feedback – and sometimes get it even without asking! We have the privilege of seeing from a “10,000-feet perspective” how different issues affect all of the different spectrums of the provider population.

In regard to NC Pre-K, some of our members do not have NC Pre-K classrooms... just like some do not enroll subsidy children. Still, they are a vital part of the conversation because they are meeting the needs in their particular community.

It is also worth noting that just because some do not currently serve Pre-K children does not mean that they do not have the capacity to do so, or would not consider it in the future. However, as the child care environment continues to evolve in North Carolina, the extent to which it becomes more difficult for private providers to meet the myriad of requirements and mandates that go along with serving these children will determine the number of private providers who are willing and able to offer these vital services.

Speaking specifically about NC Pre-K, I am grateful to be able to share with you today some of what I have heard from private providers in recent months as I've traveled the state and visited their centers.

Over the last year, our Association has hosted 17 meetings across the state, from East Flat Rock in Henderson county to down east in Greenville, to Taylorsville in Alexander County in the northwest to Fayetteville in the southeast, and all points in between ... we invited providers to come and talk to us about their concerns and to receive updates from us about the activities of the Child Care Commission, the DCDEE, the General Assembly, and others. Meetings such as these help ensure that our work continues to reflect the goals of the providers that we serve.

Here is some of what private providers across the state have said:

- Providers in Franklin County have lost “slots” – Example: Center has gone from 18 slots to 14 in its classroom and the reimbursement rate has dropped from \$738 to \$695 while the Center is still expected to pay the teacher according to the mandated high pay scale.
- Davie County has seen its reimbursement rate drop from \$493 to \$480 and has serious concerns about meeting the mandated pay scale now that the teacher has completed the BK degree.
- Alamance County provider rate was cut by 13%; yet, salary costs have gone up. At the same time, some of the support that used to come through Smart Start that helped bolster required teacher salaries is gone or greatly diminished as a result of recent budget cuts. Additionally, Alamance County providers are forced

to raise awareness of More at Four classrooms on their own, at their cost, while other counties assist parents and providers by offering a single portal for all applicants and then fairly assign them to the most appropriate site.

- One provider in Hoke County which serves a Native American population had had their slots (they only had 9) taken from them recently because the extension they were given previously to bring their star level up from 3 to 4 was revoked. This hurts the families and children who were being served, as well as the Center and local economy.
- New Hanover County and Mecklenburg County providers feel the public school systems are controlling the program to their advantage without allowing Smart Start or private providers to have a voice – Examples include no start-up dollars, reducing slots, busing children and using their own tuition assistance programs to help send staff back to school.
- Some counties recognize children who are enrolled in a 4- or 5-star program through subsidy as being served, while other counties will pull children from a 3-5- star center and move them to another center's Pre-K classroom, creating an unnecessary transition in order to fill the Pre-K slots.
- We *frequently* hear that Head Start children are utilizing dollars and taking up Pre-K slots that could be filled by children who are currently un-served.
- Perhaps the most recurring theme is that private providers are frustrated about what they perceive as a disconnect between decision-makers and implementers in Raleigh, as well as many local committees across the state. They believe that the state (policymakers, regulators, etc.), as well as local committees, would benefit from their input as business owners and operators. They desire an effective, recognized channel through which to offer suggestions for improvements and efficiencies and raise the alarm when unintended consequences negatively impact their Centers, families and communities.

Despite the challenges I've just shared with you, we're also hearing that private providers *do* have the capacity to serve additional four-year-olds, and many are interested in doing so.

As North Carolina moves forward in the child care and early education arena, as I mentioned earlier, the decisions made by the General Assembly and others – such as DCDEE – will have significant bearing on whether the state's broad network of high-quality private child care centers will serve as an NC Pre-K partner working toward common goals and objectives.

In conclusion, I encourage you to allow us to assist you in your deliberations and decision-making by serving as a resource and liaison to the private providers in your districts. We have providers who are willing and able to serve on a Pre-K advisory

committee. As I also mentioned earlier, we have members who can represent faith-based programs, rural and urban programs, and even programs not currently serving Pre-K children. We don't claim to have all the answers, but we are eager to be part of the discussion. Thank you for having us here today to start this very important dialogue.

Lastly, I encourage you to stop in and visit a private child care center close to home sometime. Spend some time watching and gaining understanding of all that goes into providing such a rich learning environment for young children in our state within these hometown businesses that are operating efficiently and effectively – and creating and sustaining real jobs in your communities.

Thank you for your time today. I hope that next you will be able to hear from Kevin Campbell, who is a private provider in Mecklenburg County. He has information to share with you about placement of Pre-K children *this year* that I know is going to surprise and interest you.

Thank you again.

House Select Committee Presentation, 10-6-2011

Dana Ramsey- Wake County resident, Vice President of Operations, Childcare Network

Childcare Network – Who are we?

Since coming to NC in 1997, we now serve 7,000 children in 60 locations in 20 counties across the state, including:

- Buncombe, Wake, Durham, Lee, Alamance, Cumberland, Mecklenburg, New Hanover, Onslow, Craven, Bladen, Forsyth, Randolph, Guilford, Brunswick, Lincoln, Gaston, Union, and Carteret (also serve children from Pamlico, Pender, Henderson, and Orange Counties).

We have participated in providing More at Four since the pilot phase, and currently serve 800 children in 24 licensed facilities in 13 counties.

Half of our licenses are 5-star, and all of the remaining but three are 4-star.

Additionally, we employ 1,200 people in the state

Private providers are a viable and necessary part of the NC Pre-K solution.

We want to be partners with the state in meeting its NC Pre-K goals, and believe that NC will have greater success in preparing more at risk 4 year-olds for kindergarten with the support and involvement of licensed private sector child care providers.

Licensed private providers have the experience and an impressive track record serving these children. Because of our decades of experience, we can also provide valuable information to facilitate meaningful, positive changes that will help the state maximize its investments to help more children with limited tax dollars – without sacrificing quality.

CONSIDER THIS:

- Licensed providers are already serving over 78,000 at-risk non-NC Pre-K children of all ages in our state, and there is the capacity to serve more.
- My company is presently 76% utilized and there are thousands of identified spaces in high-quality centers across the state.
- According to 2010 census information, there are approximately 636,000 children in NC under the age of 5.
- Waiting lists for all programs and ages prove that the needs remain high.

Our industry has been preparing for potential expansion for over a decade.

We are more prepared than ever with:

- Higher standards
- Lower ratios
- And more education
- The implementation of the star-rated license and the use of the Environment Rating Scales have made us a model for the country (sometimes to our detriment). We are one of the most regulated industries in the state. These well-established systems ensure safe, healthy learning environments.

Existing Relationships

There is already an existing relationship between the regulating entity for quality child care and early education, DCDEE, and private providers.

There is a synergy between DCDEE and providers that has developed over time that serves NC families well. Regular licensing, health and sanitation, fire, and building inspections are built into our operations.

This synergy is exemplified by the success of the recent transition of NCPK from DPI to DCDEE just before the start of school this year when families were already showing up on the doorsteps of private providers counting on continuity of services.

Private childcare options give parents more choices for their very young children - parent choice is good for children, families, and our state's economy, and parents choose us every day.

Our centers across the state are small, medium- and large-sized businesses that have shown over time that they can operate effectively and efficiently. After all, that is what it takes to stay in business. We efficiently deliver high quality services that people want or need...and keep coming back for.

Why are licensed private providers good for NC children and families?

- We are and have long been the "incubator for primary education."
- We have contributed significantly over the years to preparing children for a successful education, and also to gaining the national acclaim that NC has enjoyed for its programs, whether that be More at Four, Smart Start, or the star-rated license system.
- Our focus has been and continues to be on the WHOLE CHILD, whole family health and support, and fostering strong community connections. For young families, we are often the hub of available resources and parent training for our communities.
- Parent involvement and responsibility is higher in our centers - most parents we see every day. It is a true partnership.

- Our teachers and our staff are highly qualified, trained professionals, who are evaluated annually based on their classroom performance, not just years of service.
- Many parents of Pre-K children need full-day services. We provide consistency of care for families, serving all of their young children in one environment and providing year round, full-day care for children without the need for transporting mid-day.

What is working and what needs to be addressed as we move forward together:

From my perspective - let me share with you what is working well:

- DCDEE has done a great job under extremely tough circumstances to find and place children in a shorter period of time, and I am confident that the division will do a good job monitoring programs to ensure that requirements are met during their regular visits.
- Also, in many counties across NC, Pre-K is provided much needed additional support through our Smart Start partnerships, which are providing, in many cases: enhanced rates, additional resources, monitoring classroom quality, and helping identify children's needs.

On the other hand, let me share what has been most challenging, and what I believe needs to be addressed as we move forward:

- Currently, there are too many independent systems for placement of children and selection of sites and spaces.
- There are too many areas where local entities raise the program requirements when they cannot adequately fund the costs related to these expectations.

The extent to which child care providers are forced to incur cost increases for providing services to at-risk children without additional resources determines the extent to which the cost of care increase for everyone.

To put it more simply, there is a lack of available funding from many different counties that are requiring that we do more with sometimes less than the regular reimbursement for a subsidized four-year-old.

Additionally, with potential expansion, it is important to note that that serving four-year-olds has become a large part of the business model for many private providers. There are many providers that would cease to exist without their 4-year-old classrooms, which would negatively impact not only children, families and local economies, but also the success of the state's NC Pre-K program. Parents to struggle to find services for their younger children; 0-3 care would be negatively impacted, along with the state's capacity to for serving at-risk four-year-olds.

What can we do together to improve early child care and education?

I believe there is a lot that we can do to improve child care and early education if we work together. Private providers want to be a part of this process. Here are some places we might start:

- It is time to move forward with standardizing it all. Setting standards that apply statewide to all providers equally will benefit children, families and local economies by helping ensure a consistent level of quality across the state, AND by giving private providers the certainty that they need to invest and grow their businesses.
- We need to reduce the level of subjectivity involved in decision making county by county.
- We need to clarify the roles of the local committees and get them focused more on the WHAT and less on the HOW. In other words, they should not be making business decisions for providers or impeding the ability to manage effectively.
- Lastly, the processes for changes in the child care arena, whether it is expansion or new standards, need to be fair and balanced from the beginning. Everyone should be at the table. Private providers need an effective mechanism to provide valuable insight and information from the frontlines.

Economic Impact

In closing, I will emphasize today, perhaps more than ever, that the child care industry is critical to the economic viability of NC families. In the majority of NC households, parents are working, and affordable, high quality childcare is simply a necessity.

I will also mention how important an economic development tool it is for NC to have lots of choices for employers and employees for affordable, high quality care.

And finally, I will cite a recent economic impact study that cites the child care industry's \$1.7 billion impact on the state's economy, along with the 50,000 jobs it provides. (Insight Center for Community Economic Development with the help of the NC Partnership for Children)

As a member of the NC licensed child care community, I am ready and willing to work with you to solve our most pressing pre-kindergarten challenges and am confident that my colleagues are as well. I appreciate you hearing from us today.