

Smart Start

North Carolina's Early Childhood System

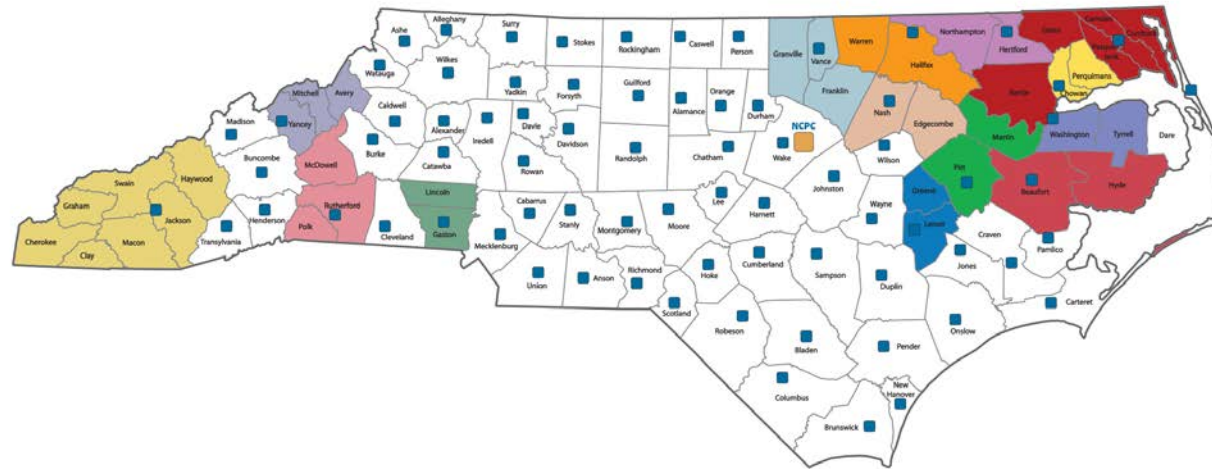
House Select Committee on COVID-19 – Health Working Group
April 2020

04/08/2020



What is Smart Start?

- **North Carolina's Early Childhood System**
- **A network of 75 nonprofit local partnerships and NCPC**
- **State-wide governance and inspiration (NCPC) and local innovation (75 Partnerships)**



Child Care Crisis in NC

SIZE OF THE MARKET-BASED CHILD CARE INDUSTRY IN NORTH CAROLINA



Total ECONOMIC impact (2016)

\$3.15 billion

\$1.47 billion
child care revenue

PLUS

\$1.67 billion spillover
in other industries



Total EARNINGS impact (2016)

\$1.25 billion

\$746 million
employee compensation and
sole proprietors' earnings

PLUS

\$506.2 million spillover
earnings in other industries



Total JOBS impact (2016)

64,852 jobs

47,282
sole proprietors and wage
and salaried employees

PLUS

17,570 spillover
jobs in other industries

Committee for Economic Development - <https://www.ced.org/assets/reports/childcareimpact/infographics/revised/North%20Carolina%20Econ%20Impact%20Infographic%201312019.pdf>

Child Care Crisis in NC

- **Widespread closure of centers**
 - Many centers operating at less than 60% capacity
 - Difficulty in maintaining teaching staff
 - Difficulty meeting increased health and safety requirements
 - Supplies are hard to obtain
 - Child Care Health Consultation system stretched thin
- **Concerns for childcare workforce health and safety**
 - Many teachers and staff lack insurance and other benefits
- **Need to provide care for essential workers**
 - 100-175 calls to the Emergency Child Care Hotline per day

Child Care Crisis in NC

NAEYC Survey of Providers in NC

- **32% of centers say they would not survive closing for more than 2 weeks without public investment and support that would allow them to compensate and retain staff, pay rent, and cover other fixed costs**
- **12% would not survive a closure of any length of time without these supports**
- **28% do not know how long they would be able to close their doors and be able to reopen without these supports**
- **43% have parents who cannot pay fees or copays**

NAEYC - https://www.naeyc.org/sites/default/files/globally-shared/downloads/PDFs/our-work/public-policy-advocacy/effects_of_coronavirus_on_child_care.final.pdf

Current DHHS/DCDEE Response to COVID-19

- System of emergency childcare centers
 - Must meet enhanced health and safety requirements
 - Must be able to serve children of essential workers
- Payment for subsidy and NC PreK through June, regardless of whether centers are open or closed
- Temporary bonus pay for workers in open centers
 - \$300/month for teachers
 - \$200/month for other staff

Current Smart Start Response to COVID-19

- **Smart Start local partnerships coordinating with childcare providers to secure needed supplies**
- **Funding Child Care Health Consultations and working to ensure every center has health consultation during crisis, in partnership with DHHS**
- **Working with Child Care Services Association to raise contributions for a childcare relief fund**

Child Care Crisis

Spotlight on Harnett County Tara Fish



Child Care Crisis

Spotlight on Mitchell, Yancy, Avery Counties Jennifer Simpson



Recommendations to Address Child Care Crisis

- **Resources for providers to meet health and safety requirements**
 - **Supplies: cleaning/sanitation materials, diapers, PPE, food, thermometers**
- **Meeting needs for essential personnel**
 - **Coverage of parent co-pay fees for essential workers**
 - **Second-shift or 24-hour care**
- **Financial assistance for centers**
 - **Continued payment of subsidy**
 - **Direct grants to cover operating costs**
 - **Funding to recover lost revenue from parent fees/co-pays**
- **Support for childcare workforce**
 - **Bonus pay for teachers and staff**

Rebuilding a Sustainable Child Care System

- **Crisis has highlighted the fragility of the childcare system, along with the system's social and economic importance**
- **Future actions needed to:**
 - **Reopen centers closed due to the crisis**
 - **Ensure long-term financial sustainability of the industry**
 - **Improve compensation and benefits for the workforce**
- **Continue to rely on Smart Start to identify community needs and coordinate planning and implementation**

Questions?



Donna White
Interim President
dwhite@smartstart.org