

Buncombe County Early Childhood Committee
 Funding Strategy Series Q&A
 September-October 2024

On last year’s provider survey, what caused licensed slots to go up? We would expect enrollment to change when vacancies are filled, but not the overall number of licensed slots to change between September and June. Can you dig into the data and see which provider(s) had an increase?

Here is what the data looks like. It looks like one big driver is CAO. At the beginning of the year, they reported only the “slots” that the funds directly paid for. At the end of year, they reported all slots in Buncombe County. CWA also had a big jump, which is likely because they added an additional location at Valley.

Name of Organization	Begin	End	Difference
Asheville Jewish Community Center	125	97	-28
Buncombe County Schools Preschools	60	60	0
Community Action Opportunities (CAO)	66	218	152
Donald S Collins Early Learning Center (SVCCC)	137	131	-6
Eliada Homes	97	187	90
Evolve Early Learning	41	36	-5
Irene Wortham Center	101	100	-1
The Christine W. Avery Learning Center (CWA)	62	138	76
Verner Center for Early Learning	152	160	8
YWCA of Asheville - Early Learning Program	193	126	-67
TOTAL	1034	1253	219

What are the reasons for the decline in Family Child Care Homes (FCCH)? And what were the barriers to success for the previous grant project where Buncombe Partnership For Children (BPFC) was working to try to turn that curve?

Licensed FCCHs have experienced a steep decline across the country. The decline is especially evident in states like NC where Family Child Care providers are held to nearly the same standards as a child care center, with a few exceptions. While this level of regulation provides a safety net for children, it raises the cost and stress of doing business for solo providers. In a county like ours the high cost of living means that providers’ costs increase greatly from year to year while the amount they can charge families stays the same. The highest rate that Buncombe FCCHs charge has not changed significantly in the last 15-20 years, while we know that the cost of living in Buncombe County has increased exponentially. The barriers to success from the previous BPFC FCCH grant came down to the same issue of high Buncombe cost of living combined with the complicated licensing DCDEE licensing process and zoning challenges for Asheville City residents. There were multiple prospective providers interested in opening a FCCH but in the end, these barriers were too much of a challenge. Several interested and motivated prospective providers stated that they could have opened if they had significant start-up funding, approximately 10,000-15,000, to cover costs and loss of income during the start-up period and the 6-month period between initial licensing and receipt of the rated-license six months later.

What are the key factors influencing the wide gap between licensed slots and enrolled slots?

The DCDEE often licenses program spaces at their maximum legal physical capacity to allow for flexibility in the future. This can include multi-purpose use spaces like gyms or extra classrooms being used for teacher workrooms. It can also include licensing an infant classroom for 10 children when due to the size of cribs used in the classroom or staffing patterns, only 5 infants can reasonably (or legally) fit.

For this reason, Buncombe County’s provider survey to funded child care centers asks not only for the numbers of licensed and enrolled slots but also for the number of ideal slots. The question states, “We understand that some providers may not ever enroll as many students as they are licensed for, even if they were fully staffed. If you were fully staffed, what would be your ‘ideal’ enrollment per age?”

Are the reasons for less available infant care than other child care the staff:child ratios driving costs to be higher and that there are fewer public funding options (no Head Start/NC Pre-K) subsidizing those slots?

Yes, staff/child ratios drive costs higher and there are very few publicly funded slots (Early Head Start only). In a program that serves 0-5, the preschool classrooms help balance the costs of the infant classrooms. There is also some thinking that systemically, as more funding shifts towards public Pre-K availability (which is great!), more private Pre-K slots remain empty, which leads to the closure of more expensive to operate infant rooms in those private programs.

Here is an interesting article about strengthening infant and toddler care during Pre-K expansion that might be interesting for the committee to read: <https://www.newamerica.org/education-policy/briefs/state-and-local-strategies-to-strengthen-infant-toddler-care-during-pre-k-expansion/>

You might find this study useful to explain why infant care is more costly to provide: <https://www.americanprogress.org/article/true-cost-high-quality-child-care-across-united-states/>

The following report in the Child Care Services Association Data Repository recently that shows child care costs by county. This data is from the CCR&R Council: <https://stage.worklifesystems.com//NorthCarolina?county=Buncombe>

Are the Developmental Day slots all allocated to Irene Wortham or are they spread around to other centers?

Developmental Day slots are allocated by the state according to Local Education Agency. For Asheville City School’s district, they have slots at their preschool program locations at Hall Fletcher and Asheville High. For Buncombe County School’s district, they have slots at Eliada and Irene Wortham.

Why are 5-star Family Child Care Home rates higher than 5-star center based rates?

This is a very complicated question to answer and is based on the [2023 Market Rate Study](#). Essentially, a survey was administered statewide to licensed child care centers and homes (excluding Head Start and Developmental Day). The survey asks about child care tuition rates and a

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number of other fiscal questions to determine how local tuition rates are set, such as collection of additional parent fees, other sources of funding (CACFP, grants, in-kind rent), etc.

Using survey data, a market rate is established. “Market rates are not average child care rates. Market rates are established using the 75th percentile by child, which means that if surveys find that there were 100 children whose parents paid for child care in a certain county, the market rate would use the 75th percentile rate, counting from lowest to highest paid for an individual child in that county. Market rates have been set using the 75th percentile so that eligible children can have access to a majority of child care options. Further adjustments to the 75th percentile have been made in this study in order to ensure ascending market rates for higher star ratings. If there are not at least fifty children in an age category/type of facility/rated license-level combination for a county, an imputed rate is used in the development of the market rates for that county (p. 11-12).”

Further, ... “An analysis was performed to investigate the accessibility of child care based on the amount of care that can be purchased with existing market rates and the proposed market rate adjustments ... (the modeled rates). Appendix D presents current, surveyed, and modeled rates by county. The methodology targeted the 75th percentile. Variation in modeled rates between the two survey cycles [2021 and 2023] was large, ranging from about 12 to 14 percentage points difference across facility types (see Table 24, page 39). For homes, the greatest discrepancy between current subsidy rates and modeled rates is for five-star centers, regardless of age category. In these centers, the difference in modeled versus subsidy rates ranges from around 12 percent to 27.7 percent.”

What percentage of public funding for K-12 education is local vs. state vs. federal?

Here is the link to the [FY24 Budget Resource Document](#) for Buncombe County Schools (BCS). Page 6/PDF Page 13 has a revenue sources chart that shows the County Appropriation is approximately 27% of their entire budget. State is the largest (46%), followed by Local (27%), followed by Federal (13%).

Here is the link for the Asheville City Schools (ACS) [FY24 official budget document](#). It's a little harder to read because they also get the ACS Supplemental Tax Revenue. So the County Appropriation is about 21% (\$17,704,730) of their budget, with another 20% (\$11,640,014 + \$4,893,870) coming from the Supplemental Taxing District. For this district, local is the largest (41%), followed by state (37%), followed by Federal (8%).

FY25 should be a smaller federal percentage for both districts with larger state and local numbers given the loss of some COVID-related federal revenue.

What percentage of the total Buncombe County budget is funding for K-12 education?

For our General Fund budget for FY24:

\$17,704,730 = ACS Appropriation

\$95,569,294 = BCS Appropriation

\$815,543 = Education Support (project-based education funding such as after school)

Divided by the total general fund: \$438,936,226

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That's 26%. (It would be higher if we counted AB Tech & Early Childhood Education, but since we're just talking K-12, that's the amount.)

What would the county comparison slide look like trended?

Percent of Children age 0-5 pre-kindergarten Enrolled in Licensed Child Care

	2019	2020	2021	2022	2023	2024
Buncombe County*	31.70%	30.90%	28.90%	29.00%	28.90%	30.50%
Cabarrus County	30.06%	28.23%	24.97%	25.90%	26.71%	26.01%
Catawba County	31.39%	32.58%	29.98%	27.03%	28.74%	30.45%
Cumberland County	26.14%	25.20%	21.73%	23.14%	24.00%	23.91%
Durham County*	31.59%	31.40%	27.97%	28.23%	30.05%	29.58%
Forsyth County*	23.75%	23.44%	20.83%	21.27%	22.55%	22.27%
Guilford County*	32.95%	31.88%	28.53%	30.04%	31.18%	29.26%
Henderson County	27.49%	26.54%	22.75%	22.88%	24.56%	23.97%
Madison County	26.31%	21.78%	19.08%	18.45%	Not avail.	17.92%
McDowell County	28.80%	28.82%	28.91%	28.24%	32.38%	32.06%
Mecklenburg County*	26.88%	27.33%	22.62%	24.00%	27.13%	25.65%
New Hanover County	38.26%	38.90%	35.62%	37.63%	38.83%	33.91%
Wake County*	35.40%	34.86%	31.02%	33.39%	36.07%	35.39%
STATEWIDE	14.95%	14.78%	13.07%	13.67%	14.03%	13.67%

**counties with local public investment as outlined below*

Which of the counties on the list are doing local public investment?

- **Durham County** – Durham PreK (<https://durhamprek.org/>) - Durham PreK is a no to low cost high-quality preschool collaborative open to all 4-year-olds in Durham County.
- **Forsyth County** - In 2023, Forsyth County Commissioners and the City of Winston Salem approved over \$4M of American Rescue Plan Act (ARPA) funds to support increased quality standards in 32 Pre-K pilot classrooms representative of the Pre-K landscape across Forsyth County.
The Pre-K Priority – (<https://www.prekpriority.org/>) The Pre-K Priority was formed in 2014 by a group of early childhood professionals to explore how to improve the quality and number of early childhood programs available in Forsyth County.
- **Guilford County** – Ready for School, Ready for Life (<https://getreadyguilford.org/>) - a collaborative effort to build a connected, innovative system of care for Guilford County’s youngest children and their families.

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- **Mecklenburg County** – Mecklenburg Pre-K (MECK Pre-k) - <https://meckprek.org/>. MECK Pre-K is high quality free pre-K education open to all four-year-old children in Mecklenburg County. Classrooms are located in licensed child care centers and taught by licensed teachers and highly qualified assistant teachers. MECK Pre-K is administered by Smart-Start of Mecklenburg County and funded by Mecklenburg County.
- **Wake County** – Wake Pre-K (<https://www.wakesmartstart.org/families/wake-pre-k-overview/>) Wake Pre-K is a 6.5-hour program. Some locations may offer wrap-around care and transportation, but it is not guaranteed. ThreeSchool (<https://threeschool.wakesmartstart.org/>) – early learning program for three year olds that provide early education to young children in a play-based, dynamic way, like the nationally recognized NC Pre-K program.

What current corporate support currently exists in Buncombe County?

There is an Infant Toddler Child Care Expansion pilot project that began last year. The Biltmore Company kicked off the project with Buncombe Partnership for Children. The Biltmore Company is investing \$150,000 over 3 years (\$50k each year). In the first year of the project, three child care providers received grants and have opened 35 slots, with that total projected to increase to 60 by December. There was a zoom meeting hosted by BPFCC on 9/9/24 to try to recruit other corporations to participate in the pilot.

In-house child care centers provided by employers are uncommon. One example in Buncombe County is Mission Health Child Care Development Center, which is owned and operated by Bright Horizons Children’s Centers, LLC. The center is licensed to serve 160 children and is open only to HCA staff and associates.

There is likely other corporate support provided directly from private companies to nonprofit child care providers, in the form of donations and sponsorships.

In addition, many employers provide child care benefits to employees. For example, Buncombe County provides a Dependent Care Flexible Spending Account Plan, which allows employees to set aside funds on a pre-tax basis to pay for child care. [Family Forward NC](#) is an initiative of the NC Early Childhood Foundation that promotes [family-friendly workplace polices](#), including a certification program.

I’ve heard of Tri-Share as an example of corporate support for child care. How does that program work?

[Tri-Share](#) is currently a pilot program, partially funded by the State of NC. State lawmakers allocated \$900,000 for NC Partnership for Children to divide among three Regional Hubs (Local Partnerships) for Fiscal Year (FY) 2023-2024 and FY 2024-2025.

- [Cleveland County Partnership for Children and Families](#) to serve Cleveland, Rutherford, Henderson, Lincoln, and Gaston Counties
- [The Martin-Pitt Partnership for Children](#) to serve Martin and Pitt Counties
- [Partners for Children and Families of Moore County](#), to serve Moore, Chatham, Cumberland, Hoke, Montgomery, Richmond, Union and Scotland Counties.

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Families that qualify for participation in Tri-Share will be:

- Employed by a participating business
- Have a household income between 185% and 300% of the federal poverty level
- Otherwise ineligible for other subsidized child care

Household Size	Yearly Income (185%-300% of federal poverty level)
Two Person	\$36,482- \$59,160
Three Person	\$45,991-\$74,580
Four Person	\$55,500-\$90,000
Five Person	\$65,009-\$105,420
Six Person	\$74,518- \$120,840
Seven Person	\$84,027- \$136,260
Eight Person	\$93,536- \$151,680

Press Release: [Smart Start Brings NC Child Care Tri-Share to Families in 3 Regions | Smart Start & The North Carolina Partnership for Children](#)

Quote from Cleveland County: “Thank you for reaching out. We have just officially kicked off the pilot program in the past few weeks and are in the process of conducting interest meetings. Therefore, we do not have a formal progress report available at this time. However, we would be more than happy to speak with the Commissioner-led committee about the implementation process and our experiences so far.”