

**ORANGE COUNTY
BOARD OF COMMISSIONERS**

ACTION AGENDA ITEM ABSTRACT

Meeting Date: January 28, 2010

**Action Agenda
Item No.** 2

SUBJECT: Staff Review of Universal Pre-Kindergarten Proposal

DEPARTMENT: County Manager's Office

PUBLIC HEARING: (Y/N)

No

ATTACHMENT(S):

- 1) Child Care Coalition Proposal
- 2) Staff Review of CCC Proposal
- 3) Child Care System in Orange County
- 4) 2006 Child Care Task Force Report

INFORMATION CONTACT:

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PURPOSE: To receive staff review of a proposal by the Orange County Child Care Coalition requesting County funding for Universal Pre-kindergarten

BACKGROUND: At the Board of County Commissioners' meeting on June 2, 2009, three members of the Orange County child care community read prepared statements endorsing a written proposal by the Orange County Child Care Coalition. The Coalition proposed creation of an Orange County Universal Pre-Kindergarten Program (OC-UPP) with a goal to ensure 70% of all four year olds are enrolled in a preschool program in the County meeting the NC Pre-Kindergarten Program Standards by June 30, 2013. Childcare classroom fees would be partially or fully paid by OC-UPP funding provided by the County. The Coalition, acknowledging the County's difficult financial situation, asked the County to create an Early Learning Task Force to study the proposal and develop a response. The Board unanimously approved a recommendation by Commissioner Nelson to refer this request and related proposal to County staff for follow-up.

Following direction by the Board of County Commissioners, staff have met, reviewed, and discussed the Orange County Child Care Coalition's proposal for County funded universal pre-kindergarten. Staff finds universal pre-kindergarten while a laudable concept would be a considerable and costly addition to the already high level of public support for education available to Orange County children. Technically, the proposal fails to explore methods of implementation outside of private child care centers or address alternative funding mechanisms within a challenging economic environment. Staff references the 2006 Orange County Child Care Task Force Report, which recommended additional subsidy dollars as the highest funding priority for expanding child care opportunities for eligible families. Staff also reminds the Board of challenges and conflicts inherent to the dual subsidy system within Orange County and previous support given Social Services by the Board of County Commissioners and Social

Services Board to compete within the Smart Start grant allocation process for local administration of all funds.

FINANCIAL IMPACT: The proposal estimates an investment of County funds in the amount of \$10,800,000 over the first five years and an annual commitment of \$4,450,000 in County funds thereafter. The funding source would be all new County (General Fund) dollars.

RECOMMENDATION(S): The Manager recommends the Board

- 1) Receive the Staff Review of the Child Care Coalition Proposal
- 2) Decline creation of an Early Learning Task Force to study the Proposal further in recognition of competing priorities and current budget constraints
- 3) Affirm support for reducing duplication of administrative functions and expense for child care subsidy oversight in Orange County for Smart Start funded services to eligible families
- 4) Request school systems input into the issue seeking optimal approaches that broaden the use of existing resources and programs
- 5) Provide additional feedback and guidance as may be desired

**Voluntary, Universal Pre-kindergarten in Orange County...An Action Plan
Created by the Orange County Child Care Coalition**

Background: With greater attention on the achievement gap between majority and minority children and children of wealth versus children of poverty, attention has been focused on the research evidence on the effectiveness of high quality early childhood education as a mechanism to level the playing field. The Chicago Longitudinal Study found that Chicago children who attended pre-k were 29% more likely to graduate from high school and 41% less likely to require special education services than children who did not have pre-k. A study done by Yale University Child Study Center, "State Efforts to Evaluate the Effects of Pre-Kindergarten", found that Michigan 4th graders who had attended pre-k passed the state's literacy and math assessment tests at higher rates than those who had no pre-k and Maryland fifth graders who attended pre-k were 44% less likely to have repeated a grade as those who did not attend pre-k. Authors of a study out of The Bush School of Government and Public Service at Texas A&M University report: "Our analysis of the relative costs and benefits of a high-quality universally-accessible pre-kindergarten program suggests that even under very conservative assumptions, the benefits of such a program in Texas greatly outweigh its costs."

A number of states are moving in the direction of universal pre-kindergarten, including Georgia, Florida and Oklahoma. Oklahoma and Georgia will soon reach more than two-thirds of 4-year-olds between the state pre-kindergarten program, Head Start and preschool special education. North Carolina has chosen the targeted approach with More at Four. Voluntary universal pre-kindergarten shows high participation rates. However, North Carolina has failed to pay the full cost of a More at Four slot, forcing communities to find matching dollars. When those dollars are not available, the More at Four slots go unfilled or are given to other communities.

Head Start has long served as an intervention strategy for very poor low income 3 and 4 year old children. However, the income cut off is so low, many low income families in Orange County are not eligible. More at Four income eligibility is higher, but funds for child care for infants and toddlers have been diverted to pay for the match for More at Four. And sufficient match dollars are not available to reach every eligible child. The National Institute for Early Education Research (NIEER) reports that middle income families are often the least likely to have their children access high quality early childhood settings. They often are not eligible for help through Head Start, More at Four or child care scholarship programs, often relegating their children to less than quality preschool education. High-income families can afford high quality part-day preschools. Very low income families can receive help paying for it through targeted programs like Head Start and More at Four. Voluntary, universal pre-k would insure that all children in Orange County would have at least one year of high quality preschool education before school entry.

Rationale: Orange County has been a leader in education since the inception of the first state university system. The County is known for having the best schools in the state, with the highest proportion of teachers who have National Board Certification. In addition, Orange County has some of the very best child care settings in the state and some of the highest quality child care available. Orange County can again become a national leader by investing in its children through a voluntary, universal pre-kindergarten program. By partnering with high quality child care programs in the community to serve as qualified pre-kindergarten sites, children and families can receive a high quality early education at community sites at a lower overall cost. High quality pre-kindergarten classrooms in child care settings can achieve the outcome of

children coming to school ready for success using the physical and administrative infrastructure available in the child care community. Orange County has already taken the lead in providing Early Head Start and More at Four services in child care classrooms that meet the higher standards. It is time for the next step. The North Carolina Pre-kindergarten Program Standards have recently been developed and, when instituted, will offer child care programs the opportunity to demonstrate that their four-year-old classrooms meet the highest educational standards. These standards mirror those found in More at Four classrooms with certified teachers, approved curriculum, child assessments and high quality classroom environments. They also mirror the standards found in the research evidence on what components produce positive educational and social outcomes for children.

North Carolina's rated license system for child care has set 5 stars as a benchmark for quality. However, standards for the five stars are not good enough, because the floor in North Carolina has historically been so low. In fact a number of states have North Carolina's five-star education and staff/child ratio standards as their floor not their zenith. In addition, fewer and fewer programs in Orange County meet NAEYC accreditation standards, which are the nation's most rigorous program standards. Yet the evidence is clear. Investing in high quality early childhood education has a significant return in immediate savings in costs for remedial and special education and in long term savings resulting from better educational and social outcomes.

This proposal seeks to raise the quality of preschool education for all of Orange County's four year old children and to increase their access to this education. With the increasing number of children who live in our community with English as their second language, the need for a high quality pre-kindergarten experience is even more critical. Early education is a public good equal to that of K-12 education and needs an equivalent investment of county funds to support its improvement and expansion. And with this investment Orange County is again taking a leadership role in education in the state and nation.

Project Goal: The goal of the Orange County Universal Pre-kindergarten Program (OC-UPP) is to ensure that 70% (950) of all four year olds are enrolled in a preschool program in the county meeting the NC Pre-kindergarten Program Standards by June 30, 2013.

Project Design and Implementation:

OC-UPP will be phased in over a five year period, beginning in August 2008. Participation is voluntary. Classrooms who meet the North Carolina Pre-kindergarten Program Standards would be eligible to have the fees for the school-day, school-year pre-kindergarten program partially or fully paid by OC-UPP program funds. Only children who are scheduled to enter kindergarten in the following year and who live in Orange County would be eligible to participate. Eligible classrooms would receive \$8,000 per child for the school year. Families who need before and after pre-k child care and summer care would be responsible for either paying for this service or seeking scholarship assistance through DSS or CCSA. Families making less than \$30,850 (<50% county median family income) would pay nothing for the program. Families making between \$30,850 and \$46,275 (between 50% and 75% of county median income) would pay \$2000 for the school year, and families making at or over \$46,275 (\geq 75% of county median income) would pay \$4000 for the school year. The balance of the funding for each child would be paid by OC-UPP.

Currently, 117 four year olds are enrolled in More at Four classrooms in Head Start sites, where federal Head Start funds match More at Four funds. No fees are charged to parents in these sites

for the school day. Another 44 four year olds attend More at Four classrooms in 3 child care programs in Orange County. Therefore, 161 four year olds are currently enrolled in sites that already meet the NC Pre-kindergarten Program Standards. About another 50-60 four year olds are enrolled in the Chapel Hill Carrboro City Schools Head Start sites that are not More at Four children but are in classrooms that meet the More at Four Standards. Beginning in 2008-09 and continuing for 5 years, new classrooms that meet the NC Pre-kindergarten Program Standards would be identified to provide spaces for 175 eligible each year for five years, gradually increasing the enrollment to reach 775 children per year.

Child Care Services Association, through its technical assistance department, would help child care programs create pre-kindergarten classrooms that meet the state standards. All new classrooms that have met the standards by July 1 of each year would be put in a lottery to provide the additional 175 new slots needed. During the first year Orange County funds would be used to pay the match for the existing 44 More at Four slots in child care settings and to add 56 new MAF slots in child care programs that meet the North Carolina Pre-kindergarten Program Standards. In subsequent years new classrooms would be randomly selected from the pool until 175 slots have been filled. Selection of classrooms would be proportional to the geographic distribution of children in the county. Once a classroom is funded, Orange County families in those classrooms and sites are eligible to participate if they individually meet the eligibility criteria and the site maintains the North Carolina Pre-kindergarten Program Standards. The Office of School Readiness and the Division of Child Development will monitor those classrooms for compliance with the standards. If additional federal or state dollars become available as match funding, county costs could be reduced. Funding would be recurring. Because of the voluntary nature of this program, it is expected that 30% of 4 year olds will not attend, because their parents will want them to either attend private part-day preschools or to remain at home.

Cost:

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|----------|---|
| FY 2009: | \$400,000 to provide the match to fund 100 MAF slots in 5 star classrooms meeting the NC Pre-kindergarten Program and MAF standards. |
| FY 2010: | \$800,000 to provide the match for 100 MAF slots in 5 star classrooms and to fund 75 additional slots in child care classrooms meeting the NC Pre-kindergarten Program Standards. |
| FY 2011: | \$1,850,000 to fund the 175 slots funded in FY 2010 and an additional 175 new slots in child care classrooms meeting the NC Pre-kindergarten Program Standards. |
| FY 2012: | \$3,300,000 to fund the 350 slots funded in FY 2011 and an additional 175 new slots in child care classrooms meeting the NC Pre-kindergarten Program Standards. |
| FY 2013: | \$4,450,000 to fund the 600 slots funded in FY 2012 and an additional 175 new slots in child care classrooms meeting the NC Pre-kindergarten Program Standards. |

Staff Review of Universal Pre-Kindergarten Proposal

At the Board of County Commissioners' Meeting on June 2, 2009, three members of the Orange County child care community read prepared statements endorsing a written proposal by the Orange County Child Care Coalition. The Coalition proposed county funded universal pre-kindergarten, phased in over five years with a total estimated cost of \$10,800,000 and a recurring annual cost of \$4,450,000 thereafter. The Coalition, acknowledging the county's difficult financial situation, asked that the county create an Early Learning Task Force to study the proposal and develop a report. The Board unanimously approved a recommendation by Commissioner Nelson to refer this request and related proposal to staff for follow-up.

Following direction by the Board of County Commissioners, staff have met, reviewed, and discussed the Orange County Child Care Coalition's proposal for county funded universal pre-kindergarten. Although the issues and arguments presented in the referenced proposal are compelling, given the current demand on Orange County's finances, the ongoing investment in both school systems, and the current duplication and inefficiencies in child care subsidy funding for many of the same families that this program would target, staff recommends against funding the proposal at this time.

As written the proposal would require a significant financial commitment from the county for both start-up and ongoing support. As previously mentioned, full implementation of the proposal would require an annual commitment of more than \$4,000,000 based on funding 775 slots for Orange County four-year-olds. The actual costs could be significantly higher if more children participated, or if a higher number of low-income children participated. The proposal requires no parent in Orange County to pay more than 50% of the cost of care regardless of income. This \$4,000,000+ annual commitment is all new county money and would cost more than \$.03 on the annual tax rate.

The Child Care Coalition's proposal recommends that private child care centers be used as classroom sites for universal pre-kindergarten, and that the program be managed by Child Care Services Association, a local nonprofit organization. If the county decided to fund universal pre-kindergarten, more exploration should be done on other options for implementation. The proposal also references universal preschool systems in other states. Many of these states utilize the local school systems in addition to private schools, private child care centers and faith-based child care centers to facilitate their preschool programs, relying on current infrastructures there, and making after school care and multi-child pickup easier on parents. The significant investment that the county already makes in both the Orange County and Chapel Hill Carrboro City School Systems would imply that they would be a good vehicle through which to manage such a program should the Board of County Commissioners decide to implement it. If county dollars are to be used to fund universal pre-kindergarten, the money should stay within the county to control. A collaboration of the two school systems and the Department of Social Services, which is the county's child care agency, would be one possible alternative.

The proposal cites the need for universal pre-kindergarten based on achievement gaps between majority and minority children and children of wealth verses children of poverty. There is no doubt that these achievement gaps exist and that better education for all children is one of the solutions to the problem. In Orange County many of the low-income three and four year olds are already in quality child care settings due to federal, state, and county dollars for subsidy. Unfortunately, there is not enough money to fund all of the eligible children, forcing many families to wait for a year or more to access this subsidized child care. If the county wanted to funnel more money into child care, it could expand its current role to manage additional programs.

The county currently administers more than \$4,000,000 annually in federal funds for child care subsidy. Child Care Services Association administers more than \$1,000,000 in state funding through Smart Start for a similar program. The two programs have overlapping costs for administration, maintain separate waiting lists for services and have different eligibility criteria creating inefficiencies. In a failed 2008 bid to administer Smart Start subsidy, the county identified \$200,000 of potential cost savings for merging the programs. This use of public resources should be addressed before any additional money is funneled into a private child care system.

In summary, staff finds the ideas and arguments behind universal pre-kindergarten to be very persuasive. There is clearly an identified need for high quality early education to complement the high quality K-12 education available in Orange County. However, since this would all be new money, the high costs make this proposal problematic in the current environment. If the Board of County Commissioners is interested in pursuing universal pre-kindergarten at a future date, work should be done with the school systems to calculate costs of a school-based model, and all options for implementation should be explored. County agencies involved in child care, including the school systems and the Department of Social Services, should be viewed as critical to any determinations about how to funnel additional money into child care. Heretofore mentioned, there are opportunities to increase the efficiency of existing money in subsidized child care through Smart Start that should be pursued before any additional funds are given to private groups or agencies. County staff should be very involved in any endeavor that involves this level of commitment of county funds. County resources, including staff, are currently stretched to the limit making it difficult to recommend the implementation of another task force at this time. This item could be referred to the Social Services Board for further exploration, however, the state is currently doing an analysis of Smart Start and More at Four, two state-funded school readiness programs, and the county may want to wait on the outcome of that research before spending more time on the issue.

Child Care in Orange County

Orange County Child Care Resources

In Orange County there are 81 licensed centers and 30 licensed homes, providing care for over 1,000 children. Roughly 80% are enrolled in child care centers, and 20% are enrolled in family child care homes.

Of the 110 total licensed programs in Orange County, 79% of them are 3, 4, or 5 star rated. Of the total, 55% are four or five star rated. These numbers accentuate the high quality of care found in Orange County's child care centers.

Quality child care is very expensive to provide. In a good program there are low child to staff ratios. The environment is clean safe and stimulating, with many fun, child-oriented and age-appropriate toys and activities, and lots of space for children to move around. This can add up to high costs. Families can spend over \$1,000 a month per child for full-time day care. In our society, most of the responsibility of paying for child care falls on parents. Orange County has the highest rates for child care of any county in the state. Many families cannot afford the cost of care on their own.

Federal, State and County Subsidy Resources

Because of the high costs, many working families have difficulty affording quality day care for their children. A parent making less than a prescribed income, and meeting certain eligibility criteria may be eligible for help to pay part of their child care costs. North Carolina's Division of Child Development uses a combination of state and federal funds to provide subsidized child care services to eligible families through a locally administered state-supervised voucher system. Annually, each county receives a combination of state and federal funding from the Division of Child Development for subsidized child care services. The amount of funding allocated to each county is determined by legislation. This enables increased access to child care for low income families.

Orange County is one of only a few counties in the state that has a dual subsidy system. Both Child Care Services Association and the Orange County Department of Social Services handle childcare subsidy. The funding sources for the programs differ, as does eligibility criteria and waiting list priorities. The Orange County Department of Social Services provides the majority of all child care subsidies in Orange County. These funds are federal, state and county.

Department of Social Services Subsidy

If a family meets the eligibility criteria for the Department of Social Services, the state of North Carolina pays a portion of the cost of child care. Parents are free to choose a child care arrangement that best fits their needs as long as the provider chosen participates in the Subsidized Child Care Program. The amount the state pays for child care depends on the family's situational criteria, the family's income, and the cost of the child care provided. Most families must qualify based on need and income, and are required to pay a percentage of child care costs based on their countable monthly income. The percentage depends on the number of people in the family, but ranges from 8 to 10 percent of income. There is one fee for families receiving subsidized child day care, regardless of the number of children in care. A family may receive child care assistance for one or more of the following reasons if they are income eligible:

- They are working;
- They are in school or in a job training program;
- Their child is receiving child protective services;
- Their child needs care to support child welfare services or because the family is experiencing a crisis; or
- The child has developmental delays.

Waiting Lists and Priority Applicants

If the county department of social services or other local purchasing agency does not have enough funding to serve all families who apply for subsidized child care, the agency may establish priorities for services. For example, an agency may choose to give priority to working parent(s) or to families who need child care to support child protective services.

In Orange County, when insufficient funds are available to meet demand, a waiting list is implemented by the Department of Social Services. As funds become available, names are taken from the top of the waiting list for services. The following policy outlines the priority for payment when a waiting list is in place.

The following children or cases will receive services and will not be subject to the waiting list:

- Child Protective Services
- Foster Care
- Work First/Employment Services Participants
- Teen Parents
- Families residing in a homeless shelter
- Existing/Active clients pursuing job search activities that exceed 60 days

The following children or cases will receive services in this order and based on their date of application with each category:

- Full-time employment
- Part-time employment
- Seeking employment for a maximum of six months
- Education or training leading to employment
- Children needing care for developmental needs

Waiting List numbers periodically experience large fluctuations. The Division Of Child Development requires that people on the waiting list be surveyed at least every six months to determine if they are still in need of child care subsidy. People who fail to respond to the survey, or are no longer eligible for subsidy are deleted from the list. Historically there is a poor response to waiting list surveys.

Families Currently Receiving Subsidies and Currently on the Waiting List

In December of 2009, the Orange County Department of Social Services was serving over 700 children through the Child Care Subsidy Program.

Although many families are receiving help to pay child care costs, there are currently 250 children eligible for Department of Social Services (DSS) subsidy that are unserved and waiting.

While the Orange County Department of Social Services does everything possible to provide all needy families with child care subsidy, the available resources are rarely sufficient to meet these needs. The goal is to eliminate waiting lists and serve every client immediately. Unfortunately, this is not the reality. Families are often forced to wait for subsidy funds to become available, sometimes up to six months or more.

**Prepared by OC Social Services Staff
December 2009**

ORANGE COUNTY, NC

ORANGE COUNTY
CHILD CARE TASK
FORCE

CHILD CARE IN ORANGE COUNTY

ORANGE COUNTY

CHILD CARE TASK FORCE

BACKGROUND

On November 29, 2005, a special briefing for Orange County employers on the impact of child care on today's workforce was sponsored by the Orange County Board of Commissioners and other local organizations. The purpose of this briefing was to begin a community discussion about the current child care resources and the needs of children in our community. The briefing included information about the economic impact of child care on businesses and some of the options currently available to employers. Commissioners Foushee and Carey attended the briefing. At the end of the meeting, Commissioner Foushee recommended that the Board of Commissioners appoint a task force with broad representation including employers and charge the group with raising community awareness, encouraging greater financial participation by the private, business and public sectors in providing child care resources, and championing workplace support for children and families.

During the BOCC annual retreat and work sessions, the Commissioners further discussed establishing a Task Force to study the various issues related to child care. The Commissioners indicated their interest and support for this concept and provided additional input about the purpose of the task force.

Based on this information, the Commissioners established the Orange County Child Care Task Force. The following is the charge given to this task force.

- To create community awareness of and support for the benefits of early childhood education
- To increase private, business and public financial contributions for child care subsidies or scholarships
- To improve workplace support for children and families

The Task Force members include individuals representing university, business, child care providers, schools, non-profit, and local government interests. Attachment A is a list of those organizations and persons serving on the task force.

INTRODUCTION

This report provides a broad picture of the significant contribution that child care subsidies make to working families receiving them, to the children who benefit directly from the care, and to the economic well-being of the county as a whole. It also contains discussion of the issues examined, documents that describe the current resources and current needs for child care subsidies, and a description of the considerable economic advantage for both families and businesses that child care subsidies provide. Finally, this report provides recommendations for the BOCC on continuing to lead the way in providing affordable child care for Orange County residents.

WHY IS CHILD CARE NECESSARY?

Child care is an important and necessary part of the lives of most working families in Orange County. Parents or guardians may utilize child care for a variety of reasons. The parent(s) may work full or part-time, attend school, have an illness necessitating child supervision, or require a break from the

demands of child care. Without available child care, a parent/guardian may be in danger of losing a job or forced to leave a child in less than ideal conditions. For the majority of families there are relatively few options for safe and secure child care. Families may utilize relatives, babysitters, and neighbors, but most tend to seek more permanent solutions in the form of licensed child care homes or centers.

COSTS OF PRIVATE CARE

There are several types of licensed child care available; the type of care appropriate for one family may not be the best for another. A child care home is licensed to care for five or fewer preschool age children, and an additional three school age children. Licensing as a center is required when six or more children are cared for in a residence or when three or more children are in care in a building other than a residence. Additionally, many schools, both public and private, offer before and after school care.

In order to increase the quality of child care in North Carolina, in September 2000, the Division of Child Development issued star rated licenses to all eligible Child Care Centers and Family Child Care Homes.¹ The star rated license is a voluntary licensing system where a child care program can earn points in two different areas:

- Program Standards
- Staff Education

Programs that are meeting higher standards can receive recognition for their efforts, and families can use this information to search for a child care program.

The increased focus on quality has led costs to rise sharply in the last fifteen years. In 1991, the average cost for a child to attend private day care was \$239. In 2001, monthly child care costs for an infant, the most expensive children to care for, was in the neighborhood of \$700. Today, parents can pay over \$1100/month for an infant to receive full-time day care. Care for preschool and school-age (part-time) children is less, although it is important to note that in Orange County the monthly cost of child care for all age groups, on average, ranges from \$800 to \$1,100.

These costs put private care out of the reach of most low- and middle-income families.

FEDERAL, STATE AND COUNTY SUBSIDY RESOURCES

The subsidy programs, offered by all North Carolina counties and financed with public money, are the only hope that low-income families have of securing this quality, costly care. Parents making less than a prescribed income, currently based on 75% of state median income for most funds, and meeting certain eligibility criteria may be eligible for help to pay part of their child care costs. The amount of funding allocated to each county in North Carolina is determined by legislation and is directly affected by the amount of funding in the federal budget. In Orange County the majority of this funding is administered by the Department of Social Services. Child Care Services Association administers 1.8 million dollars for scholarships with funding from Smart Start, UNC, United Way and other funding sources.

If a family meets the eligibility criteria for the Orange County Department of Social Services, a portion of the cost of child care will be paid for them. Parents are free to choose a child care arrangement that best fits their needs as long as the provider chosen participates in the Subsidized Child Care Program. The amount the state pays for child care depends on the family's situational criteria, the family's income, and the cost of the child care provided. (See Attachment B for state

market rates paid by Orange County). Most families must qualify based on need and income, and are required to pay a percentage of child care costs based on their countable monthly income. The percentage depends on the number of people in the family, but ranges from 8 to 10 percent of income.

As mentioned above, additional sources of subsidy come from specialized funding that may target specific groups. Examples of this type of funding are Smart Start, More at Four, the UNC Chancellor's Fund, and the additional funding allocated by the Board of County Commissioners in the Orange County budget.

WAITING LISTS

In recent years, the costs of and need for care have become so high that the demand for the subsidy system has far outweighed the supply. In Orange County, when insufficient funds are available to meet demand, waiting lists are implemented.

There have been long child care subsidy waiting lists for the last few years, with Fiscal Year 2005-2006 proving to be the worst. Not a single child was taken off of the waiting list at Social Services between March 2005 and June 30, 2006, so that some families had been waiting over a year to receive subsidy. While funding to Social Services has increased the last few years, the increase was not enough to cover all the families requiring subsidy when rising costs are taken into account. The state budget crisis has also affected funds available through Smart Start, causing them to either hold steady or decline in recent years. At the same time, child care providers in Orange County worked very hard to improve their quality by sending more of the staff to school, hiring better educated staff, improving their child-to-staff ratios and earning higher star ratings. To support these changes in quality, they needed to increase their tuition rates for care. Higher tuition rates mean higher payment rates for child care subsidy. Higher costs per child per month without a commensurate increase in funds available has meant that fewer children can be served and waiting lists have increased. It also means that fewer parents are able to afford the costs of care on their own.

The parent(s) in the majority of families both receiving subsidy and waiting are employed. The income generated by these working parents is simply not enough to be able to meet all the family's basic needs and afford child care. (See Attachment C for a list of the top employers of parents who are waiting for or currently receive Child Care Subsidy through the Orange County Department of Social Services.)

Child care subsidy waiting lists remain a critical issue for Orange County. Additional funds for fiscal year 2006-2007 were allocated by the state and the Board of County Commissioners in Orange County so that families who have been waiting the longest are now receiving subsidy. While Orange County is currently serving roughly 600 children in the subsidy program, there are still over 150 children in Orange County who are eligible for subsidy assistance, but are not receiving it due to lack of funds. These children and their families are waiting.

DISCUSSION

ISSUES

Because of the various backgrounds and interests of the Task Force Members, subcommittees were created to allow participants to identify issues and attempt to solve problems specifically relevant to their pursuits. The consumer subcommittee consisted of county-wide focus groups offered on two separate evenings during the week, one in Hillsborough and one in Chapel Hill. The child care

provider subcommittee consisted of a discussion held at the Child Care Providers Association June Meeting. The business subcommittee met on three occasions at the Chapel Hill-Carrboro Chamber of Commerce. The committee consisted of large and small employers from the northern and southern portions of the county. For a list of all employer participants, please see Attachment D.

The following is a list of issues identified by the various subcommittees.

- The number one issue related to subsidy is the lack of sufficient funding so as to assure that all eligible families can receive needed service in a timely manner.
- Waiting for subsidy is a hardship on families trying to work.
- For parents with no child care and no way to afford the high costs, high quality is not as important as a safe place for the child(ren) that allows the parent to gain or maintain employment.
- Costs for child care are too high.
- Families need support from employers.
- Even a small amount of financial assistance would make a difference between working and losing a job.
- Orange County Government should explore the possibility of a county-run center for county employees and/or residents.
- Providers are paid rates for subsidy that are lower than what private paying parents are being charged.
- Continuity of care for children should be a priority.
- Employers are interested in child care so that they can have dependable employees who attend work regularly and who can focus on their jobs.
- There are many employers who are willing to support employees' child care needs, and who may be able to provide on-site child care or other support.
- All government employers in Orange County should provide some type of support for child care subsidies and be models for other employers.
- There are various models for employers to provide support for employees' child care needs including sponsorships, onsite child care centers and flexible spending programs.
- Some of the eligibility requirements of the subsidy program may actually penalize employees if they take advantage of employer financial incentives.
- Families whose income falls outside of the guidelines for scholarships or subsidies also have financial issues in attaining quality child care.
- Government should explore ways to incent private enterprise to aid employees with child care.

While participants did not agree on all issues, the one common thread through all discussions was the need for additional money for child care subsidies.

SOLUTIONS

Based on discussions and feedback from the subcommittees outline above as well as on the charge given to the committee, the Task Force focused efforts on exploring possibilities for increasing private, business and public financial and in-kind contributions and support for child care.

The Task Force worked with local businesses and local business leaders to determine what kinds of information employers would find helpful when attempting to assist employees with their child care needs. The three main ideas that the business community expressed interest in were exploring different benefit models that might be tailored to suite individual business needs, investing in

scholarship and/or funding models that would allow businesses to contribute to existing subsidy programs for the benefit of their own employees or for the benefit of all, and building or contributing to the building of on-site centers designed to serve the needs of the business's employees.

BENEFIT MODELS

There are several benefit models that employers can utilize to pay or help employees pay for child care expenses. Some, like the "cafeteria plans" are utilized more often by smaller businesses or as a portion of the benefit package at a larger employer. Standard benefit packages are more widely used and are found at most larger businesses.

Internal Revenue Code Section 125 describes an arrangement by which an employer establishes a plan so employees may choose to reduce pay before taxes (pre-tax contributions), thereby avoiding tax on those dollars used to purchase benefits. The amount set aside is exempt from federal and state income taxes and FICA (Social Security) and Medicare taxes for the employee, and it is exempt from the Social Security and Medicare payroll tax match for the employer.

Benefits that may be included in a Section 125 Plan include medical, dental, vision, group-term life, disability, and dependent care assistance. In Code Section 125, the IRS refers to these types of plans as "cafeteria plans." The term "cafeteria plan" is used by the IRS to describe any arrangement in which a participant has a choice between cash (taxable) and benefits (pre-tax).

The most common types of Section 125 Plans are explained below:

Insurance Premium Conversion: for payment by the employee of a portion of the cost for qualified insurance benefits, such as health, disability, or dental.

Flex Plan or Flexible Benefit Plan: Premium Conversion with Reimbursement Accounts (Medical, Dependent Care, Adoption Assistance).

Full-Flex Plan or Cafeteria Plan: a wide choice of benefits, usually with employer credits that the employee may allocate toward the cost of one or more benefits (including cash).

In addition to these "cafeteria" style plans, employers may opt to provide child care costs as a direct benefit in a standard plan, similar to health, dental and life insurance plans offered by many large employers. In these cases, employees without children would get none of the benefit, much like an employee who does not use the employer health plan.

SCHOLARSHIP AND OTHER FUNDING MODELS

For businesses that are not able to adjust their benefit plans, scholarship and other funding models are another option for assisting employees with child care needs.

Voucher Model: Employers contract with child care providers or child care centers in the community for services for their employees. Parents are given vouchers for all or part of their child care costs and the child care programs redeem the vouchers for payment through the employer.

Reimbursement Model: Employees choose the child care arrangement best suited to their needs (child care center, family child care home, after-school program) and then receive a reimbursement from the company for some portion of the costs.

Purchase of Space: The employer arranges to “own” a specified number of spaces in a local child care program. Parent fees may cover most or all of the cost of any spaces used, but the company typically covers all or a portion of the cost of the unused spaces so that the program can afford to keep the spaces open for the company.

Consortium Model: A number of employers come together on an industrial or geographic basis and pool resources to conduct joint child care projects. Consortium members generally share start-up costs and in return receive priority enrollment for their employees’ children.

Sometimes a specific number of slots are set aside for each company. Operating costs, however, are usually funded through a combination of parent fees and contributions from the employers. Member corporations may choose to subsidize their employees’ fees through a voucher or reimbursement program (see first option).

On-Site or Off-Site Center: An on-site or off-site center sponsored by an employer at the work site or at another location. The center can be operated by the employer or by a nonprofit or for-profit child care provider. Employers usually pay all start-up costs; any operating losses that occur in the early stages of the center before it is fully enrolled; and some portion of the ongoing operational expenses. Parent fees cover the balance of the center’s operating expenses.

CURRENT PRACTICES

There are currently several Orange County employers that have established child care support for their employees and/or are doing innovative things to provide additional money for child care in the county.

Subsidy Reimbursement:

Employers can pay back in to the subsidy system for subsidy dollars used by their employees.

Orange County Government currently participates in this program and is helping to free up subsidy dollars for other families.

On-Site Child Care:

Employers run centers on-site for their employees, often at a reduced rate.

Carol Woods has an on-site five star center that is run by the YMCA. The center accepts age eligible children of employees and is subsidized at a rate of \$225/month for Carol Woods’ employees. There is no cost for children of YMCA employees to attend the center. The Center is also open to non-Carol Woods affiliated children between the ages of three and five at a regular rate.

UNC and UNC Health operate Victory Village, a child care center that serves students and employees of the university and the hospital. This particular center does not subsidize employees and students because of the scholarship program offered by UNC.

SAS, Inc. a Cary-based corporation partnered with Bright Horizons to run its two on-site child care centers, and two near-site centers. The day-to-day operations are managed by Bright Horizons, a child care center. SAS subsidizes the cost of child care in the centers for its employees, so that they play a flat rate of \$300 a month.

Also partnering with Bright Horizons in the State of North Carolina are GlaxoSmithKline, Blue Cross/Blue Shield, IBM, Duke University, and Wachovia.

Scholarship Funds/Matching Funds:

Employers set up scholarship funds so that their employees get help to pay for child care. This is similar to the government run subsidy program, but the funds are private, and are earmarked for the employees of a specific business. These programs can be managed by the same groups that manage regular subsidy funds; Orange County Social Services and Child Care Services Association. The amount of money committed by the employer may also be matched by Orange County under the Department of Social Services scholarship plan.

UNC works with Child Care Services Association to fund scholarships for students and university employees. Students give to their own scholarship fund via activity fees, and the university donates money to directly subsidize eligible employees.

Direct Donations:

Direct donations can be made to subsidy programs to help alleviate the waiting by all families. This method is used more often by public entities.

The Town of Chapel Hill donates \$10,000 annually to Child Care Services Association to support child care in Orange County.

The Town of Carrboro donates \$5,000 annually to Child Care Services Association to support child care in Orange County.

Underwriting:

Costs of starting up or running a child care program can be underwritten by donating space, utilities, etc. to help lower costs of care.

Orange County currently donates space utilized by several child care centers in the county, including Cedar Grove Day Care Center and Community School for People Under 6.

Benefit Options:

Many employers in Orange County, including Orange County Government, offer flexible spending accounts and/or other benefit plans to their employees that aid families in meeting their child care needs.

POSSIBLE STRATEGIES

Based on the information above provided to the Task Force, the following possible strategies were identified.

1. Seek additional funds for subsidy including requests to government entities and private funding organizations.
2. Develop partnerships with employers to create additional opportunities to maximize resources. This may include sponsorships, matching funds, benefit packages, direct contributions for subsidies or direct provision of child care.
3. Identify alternative incentives available for employers to provide to their employees that will not adversely impact any subsidy payments. Provide information to all employers on subsidy rules and these alternatives.
4. Continue to explore other child care models that may work for local employers.
5. Initiate a marketing campaign to inform employers of the role that child care plays in their workplace and educate employers regarding options to assist their employees in securing affordable, quality care.
6. Plan for child care sites at new large developments.

7. Explore the possibility of child care sites at public schools, and plan for these sites when building new schools.
8. Explore expediting processes, tax incentives, and/or no interest loans for new child care programs trying to open up.

RECOMMENDATIONS

Based on the subcommittee reports and the initial charge of the Task Force, the group compiled the following list of recommendations to the Board of County Commissioners.

1. Establish a baseline for subsidy programs so that performance can be measured. Include total subsidy dollars, average length of time on wait list before receiving assistance, and total number of unique funders.
2. Continue to seek additional support for child care subsidies from all county employers.
3. Request that the local chambers of commerce continue work with local businesses and county agencies to educate and include more employers in creative problem solving regarding child care.
4. Explore financial and nonfinancial incentives, including but not limited to tax breaks, special recognition, etc., for employers who assist employees with child care needs.
5. Request that county staff work with schools, developers, UNC, Twin Creeks, Carolina North, Durham Technical Community College and other entities that may be expanding their sites so that child care needs will be considered during new development.
6. Request that county staff work on efforts to educate the public on the value of early child development.
7. Agencies who provide subsidy money should explore issues of access, including but not limited to common applications.
8. Request that Orange County Government, UNC, Town of Chapel Hill, Town of Carrboro, and other agencies, at a minimum, maintain their current level of support.

It is recommended that the Social Services Board report back to the Board of County Commissioners annually on the activities that have occurred and on the progress being made in these areas, particularly on the effort to increase financial support for subsidy programs.

Child Care Task Force Members	
Appointed Positions	Name
Board of County Commissioners (2)	Valerie Foushee
	Steve Halkiotis (Alternate)
Orange County Department of Social Services, Director	Nancy Coston
Orange County Partnership for Young Children, Director	Michele Rivest
Child Care Services Association, Executive Director	Sue Russell
Superintendent, Chapel Hill-Carrboro City Schools	Neil Pedersen
Superintendent, Orange County Schools	Shirley Carraway
Town of Hillsborough	Brian Lowen
Town of Chapel Hill	Cindy Wilkins
Town of Carrboro	Mark Chilton
Chamber of Commerce, Hillsborough (2)	Margaret Wood Cannell
	Tom Underwood
Chamber of Commerce, Chapel Hill-Carrboro (2)	Aaron Nelson
	Barbara Jessie-Black
	Tracy Hager
Orange County Economic Development, Director	Dianne Reid
Orange County Community Services Director	Sharron Hinton
UNC/UNC Hospital	Jeanne Wakefield
	Lorri Allison
Day Care Provider (2)	Marguerite Stimpson
	Kate Sanford
	Anna Mercer-McLean
Day Care Consumer/Citizen (4)	Rachel Hawkins
	Maria Sherburne
	Juliellen Simpson-Voss
	Brandy Fowler
Support Staff	Tina Broadway
	Lindsey Dennis

**Subsidized Child Care Rates for Child Care Centers (100% Rates)
Effective October 1, 2006**

County	One Star Rates			Two Star Rates			Three Star Rates			Four Star Rates			Five Star Rates						
	Infant-Toddler Rates	2 - Year-Old Rate	School-Age Rates *	Infant-Toddler Rates	2 - Year-Old Rate	School-Age Rates *	Infant-Toddler Rates	2 - Year-Old Rate	School-Age Rates *	Infant-Toddler Rates	2 - Year-Old Rate	School-Age Rates *	Infant-Toddler Rates	2 - Year-Old Rate	School-Age Rates *				
Alamance	\$402	\$379	\$356	\$422	\$390	\$368	\$346	\$385	\$541	\$515	\$392	\$600	\$569	\$537	\$409	\$609	\$575	\$430	
Alexander	\$463	\$402	\$379	\$486	\$410	\$386	\$390	\$385	\$551	\$515	\$448	\$617	\$581	\$528	\$468	\$671	\$622	\$563	\$491
Allegany	\$424	\$390	\$368	\$445	\$410	\$386	\$363	\$385	\$541	\$515	\$433	\$600	\$555	\$528	\$448	\$622	\$573	\$548	\$471
Anson	\$437	\$402	\$379	\$445	\$410	\$386	\$363	\$385	\$541	\$515	\$433	\$600	\$555	\$528	\$448	\$622	\$573	\$548	\$471
Ashe	\$424	\$390	\$368	\$445	\$410	\$386	\$363	\$385	\$541	\$515	\$433	\$600	\$555	\$528	\$453	\$645	\$580	\$555	\$476
Avery	\$424	\$390	\$368	\$445	\$410	\$386	\$363	\$385	\$541	\$515	\$433	\$600	\$555	\$528	\$453	\$645	\$580	\$555	\$476
Beaufort	\$437	\$402	\$379	\$445	\$410	\$386	\$363	\$385	\$551	\$517	\$448	\$617	\$581	\$543	\$468	\$671	\$622	\$582	\$491
Bertie	\$433	\$390	\$368	\$445	\$410	\$386	\$363	\$385	\$541	\$515	\$441	\$614	\$563	\$537	\$460	\$668	\$604	\$578	\$483
Bladen	\$424	\$390	\$368	\$445	\$410	\$386	\$273	\$385	\$541	\$515	\$433	\$600	\$555	\$528	\$453	\$645	\$580	\$555	\$476
Brunswick	\$437	\$402	\$379	\$458	\$422	\$398	\$386	\$802	\$560	\$528	\$455	\$619	\$592	\$543	\$468	\$671	\$625	\$582	\$491
Buncombe	\$379	\$356	\$335	\$398	\$374	\$351	\$351	\$385	\$477	\$456	\$503	\$617	\$504	\$482	\$525	\$672	\$537	\$522	\$555
Burke	\$424	\$390	\$368	\$445	\$410	\$386	\$363	\$385	\$541	\$386	\$388	\$600	\$555	\$396	\$406	\$615	\$569	\$423	\$435
Cabarrus	\$446	\$392	\$366	\$469	\$412	\$384	\$374	\$824	\$564	\$493	\$410	\$668	\$595	\$519	\$422	\$733	\$638	\$560	\$443
Caldwell	\$437	\$312	\$312	\$445	\$410	\$386	\$363	\$385	\$541	\$515	\$441	\$600	\$563	\$528	\$460	\$614	\$604	\$541	\$483
Camden	\$424	\$390	\$368	\$445	\$410	\$386	\$363	\$385	\$541	\$515	\$433	\$600	\$555	\$528	\$448	\$622	\$573	\$548	\$471
Carteret	\$424	\$390	\$368	\$445	\$410	\$386	\$363	\$385	\$541	\$515	\$433	\$600	\$555	\$528	\$448	\$622	\$573	\$548	\$471
Caswell	\$424	\$390	\$368	\$445	\$410	\$386	\$363	\$385	\$541	\$515	\$433	\$600	\$555	\$528	\$448	\$622	\$573	\$548	\$471
Catawba	\$379	\$379	\$351	\$398	\$390	\$366	\$341	\$385	\$419	\$402	\$449	\$600	\$442	\$422	\$465	\$627	\$477	\$452	\$483
Chatham	\$490	\$413	\$460	\$500	\$434	\$483	\$363	\$635	\$585	\$520	\$582	\$676	\$622	\$552	\$612	\$702	\$641	\$571	\$620
Cherokee	\$437	\$402	\$379	\$445	\$410	\$386	\$363	\$385	\$541	\$515	\$441	\$614	\$563	\$537	\$460	\$668	\$604	\$578	\$483
Chowan	\$424	\$390	\$368	\$445	\$410	\$386	\$363	\$385	\$541	\$515	\$433	\$600	\$555	\$528	\$453	\$645	\$580	\$555	\$476
Clay	\$424	\$390	\$368	\$445	\$410	\$386	\$363	\$385	\$541	\$515	\$441	\$614	\$563	\$537	\$460	\$668	\$604	\$578	\$483
Cleveland	\$424	\$390	\$368	\$445	\$410	\$386	\$363	\$385	\$541	\$515	\$441	\$614	\$563	\$537	\$460	\$668	\$604	\$578	\$483
Columbus	\$424	\$289	\$289	\$445	\$304	\$304	\$340	\$385	\$541	\$515	\$433	\$600	\$555	\$528	\$453	\$645	\$580	\$541	\$476
Craven	\$437	\$390	\$368	\$445	\$410	\$386	\$363	\$385	\$541	\$515	\$441	\$614	\$563	\$537	\$460	\$668	\$604	\$578	\$483
Cumberland	\$415	\$366	\$335	\$348	\$445	\$346	\$328	\$385	\$541	\$515	\$456	\$623	\$569	\$528	\$477	\$679	\$611	\$588	\$501
Currituck	\$424	\$390	\$368	\$445	\$410	\$386	\$363	\$385	\$541	\$515	\$441	\$614	\$563	\$528	\$460	\$668	\$604	\$578	\$483
Dare	\$437	\$402	\$379	\$445	\$410	\$386	\$363	\$385	\$551	\$539	\$448	\$617	\$581	\$567	\$468	\$671	\$622	\$610	\$491
Davidson	\$366	\$356	\$356	\$384	\$374	\$368	\$322	\$385	\$541	\$515	\$433	\$601	\$555	\$528	\$453	\$657	\$591	\$556	\$476
Davie	\$424	\$390	\$368	\$445	\$410	\$386	\$363	\$385	\$551	\$527	\$448	\$617	\$581	\$555	\$468	\$671	\$622	\$596	\$491
Duplin	\$424	\$289	\$312	\$445	\$304	\$328	\$304	\$385	\$541	\$515	\$433	\$600	\$555	\$528	\$448	\$614	\$573	\$541	\$471
Durham	\$544	\$469	\$446	\$571	\$492	\$469	\$440	\$733	\$719	\$642	\$585	\$762	\$731	\$666	\$601	\$794	\$765	\$697	\$622
Edgecombe	\$424	\$402	\$368	\$445	\$422	\$386	\$295	\$385	\$541	\$515	\$433	\$600	\$555	\$528	\$453	\$645	\$580	\$555	\$476
Forsyth	\$433	\$423	\$388	\$454	\$445	\$408	\$355	\$385	\$585	\$475	\$447	\$602	\$501	\$472	\$416	\$654	\$540	\$508	\$438
Franklin	\$437	\$402	\$379	\$445	\$412	\$386	\$341	\$398	\$551	\$515	\$448	\$617	\$581	\$533	\$468	\$671	\$622	\$570	\$491
Gaston	\$379	\$370	\$335	\$348	\$398	\$388	\$351	\$366	\$565	\$548	\$515	\$441	\$606	\$579	\$535	\$468	\$623	\$576	\$483
Gates	\$424	\$390	\$368	\$445	\$410	\$386	\$363	\$385	\$541	\$515	\$433	\$600	\$555	\$528	\$448	\$622	\$573	\$548	\$471
Graham	\$437	\$402	\$379	\$445	\$410	\$386	\$363	\$385	\$541	\$515	\$441	\$614	\$563	\$537	\$460	\$668	\$604	\$578	\$483
Granville	\$437	\$402	\$379	\$445	\$410	\$386	\$363	\$385	\$551	\$556	\$448	\$665	\$581	\$587	\$468	\$754	\$622	\$632	\$491
Greene	\$424	\$390	\$368	\$445	\$410	\$386	\$295	\$385	\$541	\$515	\$433	\$600	\$555	\$528	\$448	\$622	\$573	\$548	\$471
Guilford	\$455	\$437	\$392	\$478	\$458	\$412	\$412	\$576	\$547	\$519	\$491	\$618	\$578	\$548	\$512	\$679	\$623	\$590	\$538
Halifax	\$424	\$390	\$368	\$445	\$410	\$386	\$363	\$385	\$541	\$515	\$433	\$600	\$555	\$528	\$453	\$645	\$580	\$541	\$476
Harnett	\$424	\$335	\$312	\$445	\$351	\$328	\$328	\$385	\$541	\$515	\$433	\$600	\$555	\$528	\$453	\$646	\$589	\$547	\$476

* The 100% rate represents the monthly rates for summer, holidays, teach work days and inclement weather for school-age children.

**Subsidized Child Care Rates for Child Care Centers (100% Rates)
Effective October 1, 2006**

County	One Star Rates				Two Star Rates				Three Star Rates				Four Star Rates				Five Star Rates			
	Infant-Toddler Rates	2-Year-Old Rate	3-5 Year-Old Rate	School-Age Rates *	Infant-Toddler Rates	2-Year-Old Rate	3-5 Year-Old Rate	School-Age Rates *	Infant-Toddler Rates	2-Year-Old Rate	3-5 Year-Old Rate	School-Age Rates *	Infant-Toddler Rates	2-Year-Old Rate	3-5 Year-Old Rate	School-Age Rates *	Infant-Toddler Rates	2-Year-Old Rate	3-5 Year-Old Rate	School-Age Rates *
Haywood	\$437	\$402	\$375	\$353	\$445	\$410	\$386	\$363	\$585	\$541	\$515	\$395	\$614	\$563	\$537	\$413	\$668	\$604	\$578	\$435
Henderson	\$437	\$402	\$335	\$289	\$445	\$410	\$351	\$304	\$585	\$541	\$515	\$441	\$614	\$563	\$532	\$460	\$668	\$604	\$572	\$483
Hertford	\$424	\$390	\$368	\$346	\$445	\$410	\$386	\$363	\$585	\$541	\$515	\$433	\$600	\$555	\$528	\$448	\$622	\$573	\$541	\$471
Hoke	\$424	\$390	\$368	\$346	\$445	\$410	\$386	\$363	\$585	\$541	\$515	\$441	\$600	\$555	\$528	\$460	\$627	\$568	\$541	\$483
Hyde	\$437	\$437	\$437	\$437	\$459	\$459	\$459	\$459	\$585	\$541	\$515	\$459	\$614	\$563	\$537	\$477	\$668	\$604	\$578	\$501
Iredell	\$437	\$379	\$392	\$339	\$458	\$398	\$412	\$355	\$676	\$635	\$583	\$557	\$727	\$673	\$615	\$571	\$804	\$727	\$664	\$585
Jackson	\$437	\$402	\$379	\$356	\$445	\$410	\$386	\$363	\$585	\$541	\$515	\$441	\$614	\$563	\$537	\$460	\$668	\$604	\$578	\$483
Johnston	\$402	\$379	\$356	\$321	\$422	\$390	\$368	\$333	\$605	\$556	\$520	\$418	\$658	\$586	\$547	\$437	\$709	\$628	\$586	\$458
Jones	\$424	\$390	\$368	\$346	\$445	\$410	\$386	\$363	\$585	\$541	\$515	\$433	\$600	\$555	\$528	\$453	\$645	\$580	\$555	\$476
Lee	\$433	\$402	\$312	\$312	\$445	\$410	\$328	\$328	\$585	\$541	\$515	\$441	\$614	\$563	\$528	\$460	\$668	\$604	\$566	\$483
Lenoir	\$424	\$312	\$312	\$289	\$445	\$328	\$328	\$304	\$585	\$541	\$515	\$441	\$614	\$563	\$538	\$465	\$668	\$604	\$566	\$483
Lincoln	\$437	\$402	\$356	\$356	\$455	\$422	\$374	\$374	\$585	\$541	\$515	\$441	\$614	\$555	\$528	\$460	\$668	\$580	\$547	\$483
Macon	\$424	\$390	\$368	\$346	\$445	\$410	\$386	\$363	\$585	\$541	\$515	\$433	\$600	\$555	\$528	\$448	\$622	\$573	\$541	\$471
Madison	\$424	\$390	\$368	\$346	\$445	\$410	\$386	\$363	\$585	\$541	\$515	\$433	\$600	\$555	\$528	\$453	\$645	\$580	\$555	\$476
Marlin	\$424	\$390	\$368	\$346	\$445	\$410	\$386	\$363	\$585	\$541	\$515	\$433	\$600	\$555	\$528	\$453	\$645	\$580	\$543	\$476
McDowell	\$433	\$390	\$368	\$281	\$445	\$410	\$386	\$295	\$585	\$541	\$515	\$433	\$600	\$555	\$528	\$453	\$645	\$580	\$555	\$476
Mecklenburg	\$536	\$490	\$477	\$423	\$562	\$515	\$501	\$445	\$666	\$654	\$616	\$538	\$693	\$679	\$639	\$556	\$723	\$698	\$657	\$567
Mitchell	\$437	\$392	\$368	\$346	\$445	\$410	\$386	\$363	\$585	\$541	\$515	\$433	\$600	\$555	\$528	\$453	\$645	\$580	\$555	\$476
Montgomery	\$424	\$390	\$368	\$346	\$445	\$410	\$386	\$363	\$585	\$541	\$515	\$433	\$600	\$555	\$528	\$448	\$622	\$573	\$562	\$471
Moore	\$437	\$402	\$356	\$335	\$445	\$410	\$368	\$346	\$585	\$541	\$515	\$384	\$600	\$555	\$530	\$399	\$614	\$568	\$570	\$420
Nash	\$339	\$330	\$312	\$312	\$355	\$346	\$328	\$328	\$585	\$541	\$515	\$433	\$600	\$555	\$528	\$453	\$624	\$581	\$554	\$476
New Hanover	\$428	\$415	\$392	\$383	\$450	\$436	\$412	\$403	\$586	\$549	\$549	\$471	\$608	\$570	\$560	\$478	\$637	\$595	\$587	\$494
Northampton	\$424	\$390	\$368	\$346	\$445	\$410	\$386	\$363	\$585	\$541	\$515	\$441	\$614	\$563	\$537	\$460	\$668	\$604	\$578	\$483
Onslow	\$346	\$346	\$329	\$312	\$370	\$359	\$346	\$328	\$585	\$541	\$515	\$433	\$627	\$575	\$528	\$453	\$689	\$624	\$543	\$476
Orange	\$513	\$423	\$446	\$390	\$539	\$445	\$469	\$410	\$666	\$735	\$687	\$534	\$909	\$764	\$729	\$565	\$954	\$801	\$761	\$585
Pamlico	\$424	\$390	\$368	\$346	\$445	\$410	\$386	\$363	\$585	\$541	\$515	\$433	\$600	\$555	\$528	\$448	\$622	\$573	\$548	\$471
Pasquotank	\$424	\$390	\$368	\$281	\$445	\$410	\$386	\$295	\$585	\$541	\$515	\$433	\$600	\$555	\$528	\$453	\$645	\$580	\$541	\$476
Pender	\$437	\$402	\$379	\$356	\$445	\$410	\$386	\$363	\$585	\$541	\$515	\$441	\$614	\$563	\$544	\$460	\$668	\$604	\$586	\$483
Perquimans	\$424	\$390	\$368	\$346	\$445	\$410	\$386	\$363	\$585	\$541	\$515	\$433	\$600	\$555	\$528	\$448	\$622	\$573	\$557	\$471
Person	\$424	\$390	\$379	\$356	\$445	\$410	\$386	\$363	\$585	\$541	\$515	\$433	\$600	\$555	\$528	\$453	\$645	\$580	\$570	\$476
Pitt	\$423	\$402	\$388	\$379	\$432	\$410	\$396	\$386	\$598	\$555	\$528	\$448	\$638	\$584	\$556	\$468	\$696	\$626	\$596	\$491
Polk	\$437	\$402	\$379	\$356	\$445	\$410	\$386	\$363	\$603	\$541	\$520	\$443	\$616	\$563	\$537	\$460	\$668	\$604	\$578	\$483
Ramolph	\$356	\$335	\$335	\$299	\$374	\$351	\$351	\$314	\$585	\$541	\$515	\$441	\$602	\$555	\$528	\$460	\$653	\$580	\$554	\$483
Richmond	\$424	\$390	\$289	\$268	\$445	\$410	\$304	\$281	\$585	\$541	\$515	\$433	\$600	\$555	\$528	\$448	\$614	\$568	\$541	\$471
Robeson	\$289	\$289	\$276	\$276	\$304	\$304	\$289	\$289	\$585	\$541	\$530	\$446	\$632	\$575	\$550	\$454	\$701	\$624	\$609	\$485
Rockingham	\$437	\$312	\$312	\$289	\$445	\$328	\$328	\$304	\$585	\$541	\$515	\$433	\$600	\$555	\$528	\$453	\$616	\$571	\$541	\$476
Rowan	\$433	\$335	\$335	\$312	\$445	\$351	\$351	\$328	\$585	\$541	\$433	\$449	\$623	\$563	\$459	\$469	\$679	\$604	\$498	\$492
Rutherford	\$424	\$312	\$312	\$214	\$445	\$328	\$328	\$225	\$585	\$541	\$515	\$433	\$600	\$555	\$528	\$453	\$645	\$580	\$556	\$476
Sampson	\$424	\$312	\$276	\$356	\$445	\$328	\$289	\$374	\$585	\$541	\$515	\$433	\$600	\$555	\$528	\$448	\$622	\$568	\$543	\$471
Scotland	\$424	\$390	\$289	\$356	\$445	\$410	\$304	\$374	\$585	\$541	\$515	\$433	\$600	\$555	\$528	\$448	\$622	\$573	\$547	\$471
Stanly	\$437	\$356	\$312	\$303	\$445	\$314	\$328	\$318	\$585	\$541	\$517	\$441	\$627	\$575	\$554	\$468	\$679	\$611	\$588	\$483
Stokes	\$437	\$402	\$312	\$289	\$445	\$410	\$328	\$304	\$602	\$557	\$515	\$433	\$602	\$557	\$528	\$453	\$645	\$580	\$543	\$476
Surry	\$424	\$312	\$301	\$276	\$445	\$328	\$316	\$289	\$585	\$541	\$515	\$433	\$600	\$555	\$528	\$448	\$634	\$583	\$549	\$471

* The 100% rate represents the monthly rates for summer, holidays, teach work days and inclement weather for school-age children.

**Subsidized Child Care Rates for Child Care Centers (100% Rates)
Effective October 1, 2006**

County	One Star Rates			Two Star Rates			Three Star Rates			Four Star Rates			Five Star Rates			
	Infant-Toddler Rates	2-Year-Old Rate	3-5 Year-Old Rate	School-Age Rates *	Infant-Toddler Rates	2-Year-Old Rate	3-5 Year-Old Rate	School-Age Rates *	Infant-Toddler Rates	2-Year-Old Rate	3-5 Year-Old Rate	School-Age Rates *	Infant-Toddler Rates	2-Year-Old Rate	3-5 Year-Old Rate	School-Age Rates *
Swain	\$437	\$402	\$390	\$390	\$445	\$410	\$398	\$398	\$585	\$551	\$527	\$448	\$617	\$581	\$555	\$468
Transylvania	\$437	\$402	\$379	\$356	\$445	\$410	\$386	\$363	\$585	\$541	\$515	\$441	\$614	\$563	\$537	\$460
Tyrrell	\$424	\$390	\$368	\$346	\$445	\$410	\$386	\$363	\$585	\$541	\$515	\$433	\$600	\$555	\$528	\$448
Union	\$437	\$379	\$348	\$356	\$445	\$390	\$366	\$374	\$586	\$568	\$521	\$410	\$629	\$599	\$556	\$427
Vance	\$424	\$390	\$312	\$356	\$445	\$422	\$328	\$374	\$585	\$541	\$515	\$433	\$600	\$555	\$528	\$448
Wake	\$592	\$513	\$484	\$446	\$622	\$539	\$507	\$467	\$830	\$724	\$629	\$630	\$847	\$737	\$640	\$639
Warren	\$424	\$395	\$368	\$346	\$445	\$410	\$386	\$363	\$585	\$541	\$515	\$433	\$600	\$555	\$528	\$453
Washington	\$437	\$402	\$379	\$356	\$445	\$410	\$386	\$363	\$585	\$541	\$515	\$433	\$600	\$555	\$528	\$453
Watauga	\$424	\$390	\$368	\$346	\$445	\$410	\$386	\$363	\$585	\$541	\$561	\$441	\$614	\$563	\$575	\$460
Wayne	\$348	\$339	\$335	\$335	\$366	\$355	\$346	\$346	\$585	\$541	\$515	\$494	\$600	\$555	\$528	\$518
Wilkes	\$424	\$390	\$368	\$316	\$445	\$410	\$386	\$332	\$585	\$541	\$515	\$433	\$600	\$555	\$528	\$453
Wilson	\$424	\$348	\$335	\$335	\$445	\$366	\$346	\$346	\$585	\$541	\$515	\$433	\$600	\$555	\$528	\$453
Yadkin	\$424	\$390	\$368	\$346	\$445	\$410	\$386	\$363	\$585	\$541	\$515	\$433	\$600	\$555	\$528	\$448
Yancey	\$424	\$390	\$368	\$346	\$445	\$410	\$386	\$363	\$585	\$541	\$515	\$433	\$600	\$555	\$528	\$448

* The 100% rate represents the monthly rates for summer, holidays, teach work days and inclement weather for school-age children.

Families Receiving and Waiting For DSS Subsidy (10-16-2006)

Employers	Families Served	Families Waiting	Total
UNC Hospital	20	2	22
CH/C City Schools	13	7	20
UNC	15	3	18
Duke	11	5	16
Wal Mart	7	6	13
Food Lion	6	1	7
Tiny Tots	4	3	7
Orange Co. Schools	4	1	5
Orange County	3	2	5
BCBS	2	2	4
Carillon Assted living	1	3	4
Carol Woods	4		4
Duke University	4		4
Kerr Drugs	2	2	4
Keston Care	3	1	4
Molly Maid	4		4
PHE	3	1	4
Sports Endeavors	4		4
Wee Care	3	1	4
Wendy's	1	3	4
Aramark	2	1	3
Bon's BBQ	3		3
Carolina House	1	2	3
Carolina Meadows	3		3
Dollar General	2	1	3
Durham Public Schools	1	2	3
Great Clips	2	1	3
SAMS	2	1	3
Spanish for Fun	3		3
Town of Chapel Hill	3		3

