PATHWAYS to grade-level reading

10 YEARS
NC EARLY CHILDHOOD FOUNDATION — EST. 2013

PATHWAYS to GRADE LEVEL READING POLICY & PRACTICE ACTIONS TOOLKIT

PART THREE

INCREASING CHILD CARE QUALITY and AVAILABILITY by INVESTING in a PUBLICLY FUNDED STATEWIDE CHILD CARE and EARLY LEARNING SYSTEM

NORTH CAROLINA EARLY CHILDHOOD FOUNDATION // DEC 2023

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CHILDCARE and the WORKFORCE BEHIND IT are INVALUABLE to our ECONOMY

This five-part toolkit is designed to provide guidance for how policymakers, advocates, community non-profits, the business community, and other stakeholders can support the well-being of all North Carolina children. Eight years ago, a broad tent of stakeholders from across the state started meeting and developed NC's Pathways to Grade-Level Reading Initiative (Pathways) over the course of three years.

The guidance in this third part of the Pathways Toolkit series prioritizes increasing the availability, accessibility, and quality of child care so that all families who want and need child care to enter and stay in the workforce can be assured they won't have to choose between cost of care and care that meets their children's developmental needs. We also highlight the ways that investing in stabilizing the child care system more than pays for itself through boosting economic production.

The pandemic increased our awareness of just how fundamental child care systems are to the U.S. economy. The U.S Bureau of Labor Statistics reports that among households with young children under age six, 62% of two parent families are dual income households, 69% of mothers in female headed households are employed, and 87% of fathers in male headed households are employed. It is impossible for these families to be in the workforce without some form of nonparental child care (e.g., formal or informal child care, extended family caregivers, friends, or paid nannies). Thus, the task of fostering children's healthy cognitive and emotional development is now shared with care providers.

Because children's brains, as well as their social and emotional skills, are rapidly developing during their first few years of life, it is critical that children are in early care and learning settings that are of high quality and cognitively and emotionally stimulating. Decades of research show that access to high quality early care and education programs provide children with significant short- and long-term educational and social benefits.

However, despite the clear importance of high quality child care for the well-being and healthy development of children whose parents and caregivers are in the workforce, federal, state, and local governments have collectively underfunded child care for decades. This seriously constrains national, state, and local economic development efforts. The state as a whole would benefit from increased public investment in child care because it was estimated, before the pandemic, that access to adequate child care for all NC families would add $2.4 billion each year to our state economy.

The ending of federal efforts to stabilize child care systems means that states must step up.

During the pandemic, the federal government provided child care stabilization funding through the American Rescue Plan Act. Starting in October 2021, child care providers received funding that enabled them to increase teacher pay and provide other incentives to address severe staffing shortages. Median hourly wages for child care staff increased by almost 20%, enabling providers to stabilize their staff and better support working parents.

This funding runs out June 2024 and unlike states like District of Columbia, Minnesota, New Mexico, New York, Tennessee, Vermont, Washington, West Virginia, North Carolina has not yet identified state-level funds that can stabilize the supply of affordable child care once federal funding ends.

Issues of child care accessibility and affordability are most intense for families living in rural communities. Thirty-three percent of North Carolinians live in rural areas, compared to 18% on average across the U.S., and these rural communities are struggling to maintain their existing supply of child care. As noted in one recent survey, 86% of rural parents who are not currently working say that child care responsibilities influenced their decision to not work. The Rural Child Care Policy Framework provides a range of innovative child care system initiatives tailored for the needs of rural communities.

86% OF RURAL PARENTS
who are not currently working say that
CHILD CARE RESPONSIBILITIES INFLUENCED THEIR DECISION NOT TO WORK.

North Carolinians across the political spectrum have given the legislature a green light to ensure that there is a strong supply of affordable high quality child care across the state.

As shown in the NC Chamber Foundation's recent statewide survey, the undersupply of child care is hurting families because many who want and need to work are forced to remain unemployed or underemployed. Lack of child care is also hurting businesses, by making it difficult for them to hire the number of employees needed. The survey revealed that:

- 26% of parents with children five and under said they left the workforce because they couldn't find affordable child care.
- 37% of parents with children five and under refused a job opportunity, promotion, or job change because it would increase child care expenses.
- 32% of parents with children five and under did not pursue job training or continuing education because of a lack of affordable child care.

Fixing child care access is truly a bipartisan issue. The Chamber's survey found that there's consensus that lack of child care is a serious problem with more than 80% of voters saying that lack of child care is a problem and making child care more affordable is a good use of taxpayer money: **69% of Republicans, 71% of independents, and 89% of Democrats agree**. The NC Chamber has developed thoughtful principles that can expand access to affordable, safe, high-quality child care and early learning options for North Carolina families.

THE RETURN ON INVESTMENT IS HIGH

The most recent evaluation of how states benefit from investing in expanding child care comes from Virginia's SFY23 additional investment of $309 million in early care and education, compared to their SFY19 investments. Virginia infused additional funding into programs that offer free and subsidized child care to families with low to moderate incomes. This investment is enabling more than 10,700 parents to return to work, while also generating positive educational experiences and outcomes for their 11,151 children under age 5 who receive high-quality early childhood education through the investment.

The Prenatal-to-3 Policy Impact Center estimates that Virginia's $309 million investment will generate a return of at least $364.3 million from increased family earnings and disposable income. At least $30.4 million of this new income will go directly back to the state in the form of new state tax revenue. There will also be a long-term economic benefit that comes from investing in children's early development and the positive educational and workforce outcomes for decades to come.

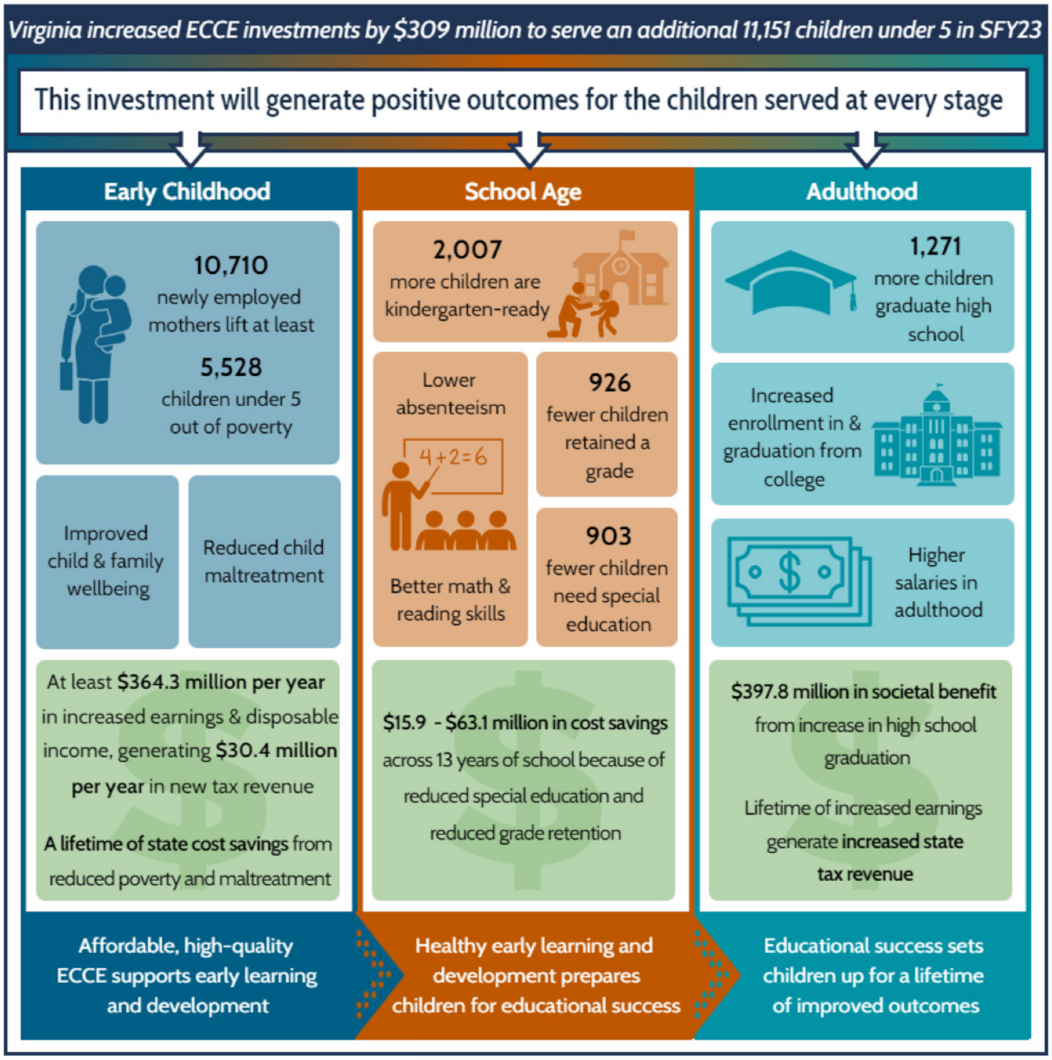
STATE INVESTMENTS WILL PAY OFF.

Investments in child care do not simply keep child care programs open, they also allow children to spend their earliest years in healthy and safe environments that provide the nurturing and stimulation children need to learn and thrive.

Virginia was strategic in their funding of initiatives to increase the availability of affordable, high-quality child care. Virginia's General Assembly:

- expanded access to affordable care by expanding eligibility for subsidized care
- met parent demand for child care by clearing the waitlist for subsidized care
- built and retained the workforce by increasing compensation for educators
- stabilized child care program revenue by creating true cost of quality reimbursement rates
- increased child care quality by investing in quality improvement

As summarized by the Prenatal-to-3 Policy Impact Center, "State investments will pay off. Investments in child care do not simply keep child care programs open, they also allow children to spend their earliest years in healthy and safe environments that provide the nurturing and stimulation children need to learn and thrive."



Adapted from Prenatal-to-3 Policy Impact Center's benefit-cost analysis in Virginia.

ALMOST ALL FAMILIES NEED HELP PAYING FOR HIGH QUALITY CHILD CARE

It's not just low-income families that need help paying for child care, working class and middle class families have to devote a large proportion of their income to child care. The cost of child care across the country and in NC remains too high for most families and keeps many out of the workforce. In North Carolina the average price of child care is:

- $9,045 per year for a toddler in family child care
- $9,375 per year for an infant in family child care
- $11,209 per year for a toddler in center-based child care
- $11,833 per year for an infant in center-based child care

To put these costs in perspective, NC's average cost of in-state college tuition is $7,360 per year.

The income of a single parent with two children would be **COMPLETELY CONSUMED BY THE COST OF CHILD CARE.**

Based on federal recommendations, for child care to be considered affordable it should consume 7% or less of the household budget. However, in North Carolina, the median income for a married couple is $102,101, which means center-based child care for one infant would consume 12% of family income. For a single parent family, whose median income is $29,897, center-based child care for one infant would consume 40% of family income. **The income of a single parent with two children would be completely consumed by the cost of child care.** These high costs for child care mean that low-income parents, in particular, are making tradeoffs between cost and quality when deciding where to place their children for care while they are at work.

Everyone is harmed when the out-of-pocket cost of child care pushes parents out of the workforce or they have to delay paying housing, food, medical, and utility bills because child care consumes too much of their household budget. Subsidized care is especially beneficial for low-income single-parent households who are often walking a tight line between supporting their household through their efforts in the labor force versus being forced to rely entirely on government support programs.

Many now argue that because over 75% of women ages 25 to 54 are in the workforce it is long past time for the United States to develop an early childhood education system that would enable all children in all families access to high quality care at a cost that consumes 7% or less of household income. Solving the crisis of care—existing capacity for infant and toddler child care only accommodating 25% of North Carolina families searching for care—would benefit children, working parents, employers, and the overall economy.

CHILD CARE+ APPROACH TO CREATING FAMILY-FRIENDLY WORKPLACES

The United States lags behind in workplace public policy that supports the health and well-being of employees and their families. For example, we are the only developed nation in the world and one of only seven countries globally with no national paid leave policy. And of the 193 U.N. member nations, only four—the United States, India, Somalia and South Korea–do not guarantee paid sick leave for workers. There has been success for U.S. government employees receiving paid family leave, primarily over the past four years. Federal and state government employees in 32 states and the District of Columbia now have access to paid parental leave. While coverage and eligibility requirements vary, it is a strong indicator that paid parental leave is a sought after benefit and is gaining broader acceptance.

Employers don't have to wait for federal or state regulations and can be at the forefront of change by incorporating evidence-based family friendly practices and policies into their workplaces. Such employers gain a competitive advantage in recruiting and retaining employees and are contributing to a successful future workforce. Equitable access to quality, affordable early learning programs for young children and family-friendly workplace benefits such as paid parental leave and lactation rooms are critical to supporting a child's healthy development, school success, and future productivity. These supports also allow parents to remain in the workforce, which ensures continued financial well-being for families and a resilient economy.

THE CHILD CARE PROFESSION NEEDS OUR ATTENTION

The pandemic put a spotlight on the fact that child care providers and staff are suffering economically. The low wages that child care providers receive means that 44% of them report experiencing material hardship—difficulty paying for basic needs such as food, utilities, housing, and health care. And, many of them have trouble paying for their own children to receive high quality child care. The result is that child care facilities cannot find enough staff to serve all of the parents that need child care to enter or remain in the labor force.

These staffing challenges impact the quality of care that children receive. The high turnover and understaffing mean that children don't get the benefit of developing stable relationships with the caregivers with whom they spend the majority of their waking hours. Additionally, many child care providers reported high levels of emotional distress because material hardship is associated with depression, anxiety, and other stress symptoms. This can reduce their ability to be emotionally supportive in response to children's behavior challenges leading them to provide lower quality care than desired.

The NC Chamber Foundation's survey also found that, across party affiliation, there is strong encouragement for legislators to ensure that caregivers are being adequately compensated: 89% of surveyed North Carolinians stated that they were concerned about low wages for teachers and workers.

44% OF CHILD CARE PROVIDERS EXPERIENCE MATERIAL HARDSHIP

and many report high levels of emotional distress.

STATE INVESTMENTS ARE NEEDED TO SUBSIDIZE THE TRUE COST OF CARE

There is a large gap between the cost that most parents currently pay for child care and what has been estimated as the true cost of high quality care. For example, in North Carolina, the average cost of licensed child care for a toddler that meets a basic level of quality is $12,500, but high quality care is estimated at $19,400 per year. Basic quality meets minimum state standards and higher quality care includes lower staff-child ratios, planning time for staff, better resourced learning environments, and better pay and compensation to reduce staff turnover.

We must do more than simply count the number of licensed child care slots available in a community, we must ensure that those slots are in center and home care programs that are of high quality. High quality child care is responsive to children's developmental needs, engages and stimulates their cognitive and psychological capacities, provides them with physical and emotional safety, and incorporates nutritional and physical health.

Child care is a labor-intensive business, and staff salary and benefits account for the majority of the cost of care. This is a cost that should not be reduced because of regulated staff-to-student ratios that aim to keep children safe. Required staffing levels are also there to ensure that care is safe and stimulating. **This interactive calculator enables users to explore how the cost of child care changes at different ages and in different settings based on seven elements of program quality. It is critical that we get a better understanding of the true cost of high quality care.**

CHILD CARE IS THE BACKBONE OF OUR ECONOMY, AND IT IS TIME TO INVEST IN IT AS A PUBLIC GOOD THAT BENEFITS CHILDREN, WORKING FAMILIES, AND BUSINESS.

There are about 30,000 North Carolina children age 0-5 on the child care subsidy wait list.

This leaves far too many parents who want to work struggling to afford a solution.

Government investment aimed at stabilizing our nation's child care system to ensure that many more parents who want to work can get their children into high quality care is an investment in the future of the state. In 1993, the [Cost, Quality, and Child Outcomes in Child Care Centers Study] began examining the influence of typical center-based child care on children's development during their preschool years and then subsequently as they moved into the elementary education system. These researchers summarize their findings with this statement: "If America wants all its children to be ready for school [and the workforce], it must improve the quality of child care experiences available in this country."

This statement is backed by consistent evidence from many studies showing that children who attended child care with higher quality classroom practices such as teacher sensitivity and responsiveness in interactions with children, and engaging teaching styles had better language and math skills, as well as stronger behavioral skills, during their preschool years and into elementary school.

In addition to moving towards creating a publicly funded statewide child care and early learning system that meets families needs for affordable high quality care, the five Pathways Actions highlighted in the remainder of this *Part 3* of the five-part Toolkit identify important actions for ensuring that working parents and their children can thrive:

- Create Family-Friendly Employment Policies
- Ensure Accessible Transportation to Early Care Programs, Schools and Health Services
- Provide Wraparound Services for High Quality Early Care and Education
- Expand Child Care Subsidies for Children; Raise Child Care Subsidy Rates; and Provide Higher Subsidy Rates to Providers in Underserved Communities
- Increase Standards and Compensation of Birth-through-Age-Five Educators

See Appendices A & B for a review of the core components of Pathways to Grade Level Reading and its emphasis on advancing racial equity in children's developmental outcomes.

PATHWAYS ACTIONS

To facilitate improvement in children's developmental contexts and experiences, Pathways stakeholders identified 44 Pathways Actions that policymakers and practitioners can take to improve outcomes. These actions are the result of asking what would be possible by coordinating policies and strategies across all levels of state government and types of organizations to support optimal development from birth through the end of third grade with one central outcome: reading at grade level by the end of third grade. Pathways Actions are comprehensive and multisector because despite the focus on one shared, tangible, and galvanizing goal, Pathways is undergirded by a whole child approach with the understanding that reading scores are a transparent proxy indicator for overall child well-being and a critical predictor of future outcomes.

To ensure that the Design Team's work was grounded in the local realities across North Carolina, Pathways created a feedback loop between communities and the state-level Design Team. Participants included pediatricians, superintendents, early educators, social services providers, community college and university representatives, principals, child care center directors, and more. These conversations resulted in the creation of a matrix of hundreds of possible actions for improving outcomes in the prioritized areas of focus, with these recommendations shared with the Design Team to provide local input as they made final decisions about which actions to recommend.

This five-part toolkit will highlight several interconnected Pathways Actions in each part. *Part 3* includes the following Pathways Actions:

Expectation 2 • Systems Serve Children in the Contexts of Families and Communities

- Action 2.4—Create Family-Friendly Employment Policies
- Action 2.6—Ensure Accessible Transportation to Early Care Programs, Schools and Health Services

Expectation 3 • Education System is Accessible and High-Quality

- Action 3.2—Provide Wraparound Services for High Quality Early Care and Education
- Actions 3.3; 3.4; 3.5—Expand Child Care Subsidies for Children; Raise Child Care Subsidy Rates; and Provide Higher Subsidy Rates to Providers in Underserved Communities
- Action 3.12—Increase Standards and Compensation of Birth-through-Age-Five Educators

ACTION 2.4

Create family-friendly employment policies and ensure that low-wage, part-time, and seasonal or occasional workers have access to these policies. Examples may include paid sick leave, parental leave, or reliable work schedules.

CREATE FAMILY-FRIENDLY EMPLOYEE POLICIES

For children and families, the benefits of family-friendly workplaces are numerous and long-lasting. They include positive impacts on health, development and well-being, financial stability, and future career success. Working parents with access to family-friendly benefits can be engaged and committed employees without negatively affecting the well-being of their children. Greater access to family-friendly policies such as paid parental sick-leave are associated with many positive benefits throughout the lifecourse, including positive infant health outcomes, stronger school attendance and test scores, higher education attainment, and future career success.

WHAT WE KNOW

The benefits of family-friendly workplaces are numerous, including positive impacts on health, development and well-being, financial stability, and future career success. Family-friendly policies such as **paid parental leave**, **flextime**, and **subsidized child care** serve a dual purpose. They foster children's healthy development through creating a more financially stable home environment while also benefiting the economic outlook of **family-friendly employers** who benefit from a healthier work environment, reduced employee health care costs, and fewer employee absences.

There are significant disparities among the demographic groups that have access to family-friendly benefits, with Black, Indigenous, and Latinx hourly and low-wage workers having the least access to these benefits. For instance, Latinx workers have significantly less access to paid leave, and Black and Latinx workers are significantly **less likely to have the ability to telework**.

~5 MILLION WORKERS WOULD BE ADDED TO THE US WORKFORCE if parents had access to more family-friendly benefits that enabled them to balance their commitment to their workplace with the needs of their families.

These disparities also unfold across gender, with **twice as many Latina and Black women having to take unpaid time off** work to care for children compared to white women and men of any race or ethnicity.

The U.S. Bureau of Labor Statistics reports that there are dramatic racial, ethnic, and gender differences in the **likelihood that working parents' job characteristics limit their ability to invest in their children**.

Dive Into the Data

Mothers and fathers who have access to paid parental leave take an average of four weeks off; however, the major medical associations in the U.S. recommend a minimum of six to 12 weeks of paid parental leave to care for and bond with newborns.

In the southeastern region of the US, including NC, only **13% of families have access to the Family Medical Leave Act** through their employer. Explore this indicator and more through the **Pathways Data Dashboard**.

WHAT WE NEED

Most public and private policies that affect working parents are based on a two-parent household model where only one parent is working for pay. This is unaligned with our current reality—**only 3.4% of all North Carolina families** have a parent who is able to stay home full-time to care for children. This means that the majority of families in our state and across the country are struggling to operate within a system that doesn't adequately serve their needs.

We need a restructuring of workplace policies to reflect our reality. **Accommodations and support for pregnant workers**, **health insurance and wellness benefits**, **reimbursed or subsidized child care**, and **predictable scheduling** are all crucial in creating workplaces that will support well-being by enabling caregivers to support their families. Family-friendly policies benefit employers, employees, and young children.

> Nearly **one in four** Americans have no access to even a single day of paid sick leave to care for themselves or for their children when they experience sickness.

HOW TO SUPPORT

Large and small businesses are joining the efforts of initiatives like chambers of commerce, economic development agencies, and other business associations join the efforts of initiatives like **Family Forward NC**, a North Carolina initiative championing the importance of family-friendly workplaces through a multi-pronged approach centered around an employer certification system. By going through the process to become a Family Forward NC Certified Employer, employers demonstrate to employees and other stakeholders that their workplace is one where pregnant workers, parents, and other caregivers will feel supported and can thrive. Investing in this initiative will help support the spread of workplaces that enable working families to thrive.

INITIATIVES WORKING IN THIS AREA

Think Babies seeks to ensure that North Carolina's youngest children, prenatal to age three, benefit from effective and equitable public policies, programs, and funding so that all children have what they need to thrive: healthy beginnings, supported families, and quality early care and learning experiences. This statewide initiative has an intentional focus on communities of color and those furthest from opportunity and is led by a cross-sector network of state and local leaders.

Family Forward NC is a groundbreaking initiative fostering employer-led change and increasing access to research-based, family-friendly practices—big and small—that improve workplace productivity, recruitment and retention, grow a strong economy, and support children's healthy development across North Carolina. Family Forward NC has engaged more than 6,000 employers, business associations, workforce and economic development agencies and state and local early childhood organizations about the role they can play in creating a strong workforce of tomorrow.

Visit the Pathways Action Map to learn more about these and other initiatives leading efforts in this area.

ACTION 2.6

Ensure affordable, accessible, dependable transportation to early care and education programs, schools, and health services, especially in rural communities.

ENSURE ACCESSIBLE TRANSPORTATION to EARLY CARE PROGRAMS, SCHOOLS and HEALTH SERVICES

Lack of access to reliable transportation is a significant barrier for many children and families and negatively impacts their ability to engage in early childhood services and learning opportunities, particularly for families who are homeless or living with low income. Most early care and education programs do not provide free transportation, and public transportation is limited, especially in rural areas. Increasing the availability of public transportation such as reducing the distance between stops and the frequency of buses supports family engagement in needed services.

WHAT WE KNOW

Though everyone relies on transportation with varying degrees based on geographic location, transportation access barriers tend to be greatest for members of economically marginalized communities and subgroups such as older adults and people with disabilities. Accessible, reliable, and safe transportation connects people to health care, work, and social activities, and is especially important in ensuring that young children can access care and early learning centers.

Relying on public transportation is most challenging for parents who work alternate schedules; they often have no safe or affordable way to get between work and home, or to drop off and pick up their children from care.

One survey of over 1200 parents found that **OVER 40% SAID THEIR CHILDREN MIGHT BE MISSING OUT** on important activities because of transportation challenges.

A diversity of transportation options can **improve access**, health, and environmental sustainability. Developing and maintaining trust in the reliability and safety of public transportation is a critical component to community health.

WHAT WE NEED

Well developed transportation infrastructure that supports the needs of a broad population and in particular, those with limited mobility access is crucial. In particular, investing in developing infrastructure for communities that remain underserved by transit services is a crucial step in working towards equity in this space. Though substantial regional differences have existed for a long time, the COVID-19 pandemic worsened variation in access and increased the urgency to direct sustained and robust infrastructure resources towards creating community prosperity through environmentally friendly transportation.

On-site workplace child care is an important consideration in meeting the needs of low-wage workers dependent on public transportation. This can be most feasible for large employers or done as a consortium among several employers located nearby. Whenever possible employers can subsidize the cost of care, but it can also be effective when employees pay the full cost for care and employers take on only the administrative role of contracting with child care providers.

HOW TO SUPPORT

There are general transportation challenges that city planners and transport agencies can play a large role in remedying by creating transportation systems and infrastructure that serve working parents and young children. Strategies that can be employed towards this aim include considering the needs of pregnant women and toddlers by shortening distances to early childhood services, designing child-friendly streets, and regulating cars in areas where small children spend the most time.

> To reach resources and services, everyone needs access to quality transportation, but this access varies widely across different geographic areas, **adversely affecting young children of color and those who live in rural areas**.

There are also targeted early childhood transportation needs, such as the McKinney-Vento Homeless Assistance Act, which requires local educational agencies to provide transportation so homeless children can remain in their preschool of origin if the family has to move, but questions about its implementation remain. Of all preschool-related calls to the National Center for Homeless Education helpline after the passage of ESSA, 42% concerned transportation challenges. State Coordinators for homeless education and local homeless education liaisons can help overcome barriers and increase participation in quality early care and education programs for children experiencing homelessness through strategic and collaborative action that targets children who would benefit greatest from the inclusion of transportation as a wraparound service in the early care setting.

INITIATIVES WORKING IN THIS AREA

This is a critical need for families because while some types of child care providers offer some form of transportation to families, such services are limited and transportation remains a barrier for many. The majority of before and after school young child transportation services are privately operated and consume too much of economically marginalized families' household budgets.

Visit the Pathways Action Map to learn more about these and other initiatives leading efforts in this area.

ACTION 3.2

Ensure children of color, children from low-income families, and children with disabilities can benefit from early care and education programs by providing wraparound services such as transportation to and from school, before- and after-school care, summer care, and meals

Provide **WRAPAROUND SERVICES** for **HIGH QUALITY EARLY CARE** and **EDUCATION**

Wraparound services are child and family supports that are integrated with early care and education settings. They help to address social and non-academic barriers to student learning. They can also help maximize child and family engagement in services throughout the year, particularly for families from overburdened and under-resourced communities. Holistic supports like school meals, transportation, and high-quality summer programs can help to improve student's physical and emotional needs, school attendance, and academic achievement.

WHAT WE KNOW

Wraparound services are designed to provide families and children with a broad range of economic, academic, social, and behavioral supports. Wraparound services are provided through bringing together a broad range of stakeholders in the identification, development, and implementation of interventions that can support children and families across many life settings that extend beyond the classroom.

Services that address the social needs of families, including access to transportation and nutritious foods, are integral in supporting the well-being of young children in early care and education settings. In particular, the quality of transportation and planning affects the extent to which caregivers can access the services they need for healthy development, including sources of healthy food, well-baby clinics, parks, and play spaces. Investment in strategic efforts by child care and early education settings to recognize and address the varying degrees of access of families to these services in order to create targeted interventions are crucial.

> Staff from homeless education, early childhood education, and housing programs identified **TRANSPORTATION (27%) AND LACK OF SPACES (25%) AS THE MOST FREQUENT BARRIERS** for homeless children's access to early childhood services.

Dive Into the Data

Children growing up in **neighborhoods with high poverty levels** can be doubly disadvantaged because they have higher levels of needs for support and are more likely to attend under-resourced care and early learning settings. Explore other indicators related to wrap-around services on the **Pathways Data Dashboard**.

WHAT WE NEED

In addition to services led by early care and education programs, broader structures that work across sectors to enhance the accessibility of wraparound services are needed. In particular, **city planning has a crucial role** in creating and sustaining walkable neighborhoods, child-friendly streets, and car regulations in areas where children spend the most time.

Integrating these concerns into early care and education settings will help address non-academic barriers to student learning.

HOW TO SUPPORT

Child care programs serving high-need families can be places where state departments that oversee public benefits, early learning, and early intervention resources embed case managers to provide vulnerable families assistance completing forms and verifications for access to food, rent, housing, and employment services, as well as physical, dental, and psychological wellness screenings and referrals for care. The families most in need of support have the fewest social, transportation, material, and time resources needed to access services their children rely on.

> Investing in wraparound services recognizes that all areas of children's and families' lives—**including those beyond the classroom**—are of importance in helping young children thrive.

INITIATIVES WORKING IN THIS AREA

REACH, an initiative of Passage Home, offers case management services with the goal of addressing the social-emotional, behavioral, developmental, and academic needs of children. In addition, the Motel Connect initiative involves select families receiving perishable and non-perishable food delivered to their current residence on a weekly basis, and Teach4REACH provides tutoring services by a qualified volunteer with the goal of helping them develop the skills to reach their academic goals.

Charlotte Bilingual Preschool prepares Spanish-speaking children for success in school and life by providing superior dual language, multicultural early childhood education. Throughout the COVID-19 pandemic, they have surveyed families on their needs, made referrals to existing community assistance programs, and coordinated resources for needs not already being met, including coordinating volunteers to provide one-on-one technology support and culturally appropriate meals and groceries.

READ Wayne is a coalition dedicated to providing support and resources to children from birth to age 8 and their families, with the aim of ensuring that all children are proficient readers by the end of third grade. With a commitment to equity and inclusivity, Read Wayne works in partnership with families and community organizations to bolster school readiness, school attendance, and summer learning. READ Wayne believes that engaged communities have the ability and responsibility to increase cross-sector partnerships so that all children can read and succeed.

Visit the Pathways Action Map to learn more about these and other initiatives leading efforts in this area.

ACTIONS 3.3; 3.4; 3.5

Increase child care affordability for more North Carolina families by expanding subsidies and raising subsidy rates; target the needs of low-income families by providing higher subsidy rates to public and private providers in high poverty, underserved, and rural communities.

EXPAND CHILD CARE SUBSIDIES; RAISE CHILD CARE SUBSIDY RATES, and PROVIDE HIGHER SUBSIDY RATES to PROVIDERS in UNDERSERVED COMMUNITIES

High quality child care is important for all and every working parent needs to feel comfortable that they are leaving their child in the care of a highly competent and trusting provider. Currently, too many families who need child care are unable to afford it and only a small percentage of those eligible for a subsidy actually receive it. Expanding child care subsidies is critical to increasing access to high-quality early care and education for more NC children and families and improving children's opportunities for success in school.

Raising child care subsidy rates enables providers to serve more children while ensuring that this care is high-quality, affordable, and provided by professional and skilled staff. Subsidy reimbursement rates are crucial for helping providers cover the costs of services; increasing these rates also encourages providers to accept more children using the subsidy, thus expanding access to quality programs for low-income families. Due to systemic barriers, children of color living in low income families are more likely to enter kindergarten with fewer early literacy and language skills when compared to their peers. However, they also show the largest gains from subsidies that support high quality early care and education.

To improve equity in access to high quality care, provide higher subsidy rates to providers in high-poverty, under-resourced, and rural communities. This advances equity by equipping them with the resources to recruit and retain educators, maintain their businesses, and meet the needs of the children and families they serve.

70% OF NC CHILDREN attend child care facilities where NC's current child care subsidy rates are too low to pay the cost of care.

WHAT WE KNOW

In response to the coronavirus pandemic, Congress approved roughly $52 billion in federal pandemic child care aid. This move increased awareness and understanding of the difference that money can make in stabilizing child care and working parents. However, **federal funding is running out and the pandemic worsened the affordability and accessibility crisis** as the cost of care increased and the number of licensed home child care providers decreased. As states make decisions about how they will continue to stabilize and strengthen their child care systems, they need to utilize a both/and strategy that embraces the tension of increasing the range and number of families that can access subsidies, while also targeting subsidies and increased reimbursement rates to providers serving high poverty and rural communities.

Despite the importance and benefits of providing high quality care to children in low-income families, the current subsidy system makes this difficult to achieve. The **current subsidy model** sets reimbursement rates based on what families can afford to pay, rather than what the care actually costs. The state surveys providers across North Carolina to find out what they charge parents and uses that value to set county-specific reimbursement rates. This means that providers serving lower income and rural families receive lower reimbursement rates than providers serving higher income families. This creates substantial inequities across the state and means that providers serving the lowest income families have fewer financial resources to invest in the care they provide. For example, the **monthly subsidy for infants in a 5-star licensed child care provider** in Transylvania is $1,400 per month but in Forsyth county it is substantially lower at $878 per month.

One example of a **both/and child care subsidy strategy** is to (1) eliminate the parent co-payment requirement for working families with incomes under 200 percent of the federal poverty level as these families face significant cost barriers to affording child care; and (2) establish a phase-in of the parent co-payment for working families between 200 and 300 percent of the federal poverty level to **reduce the benefits cliff**.

Another example is to (1) set a strong **statewide minimum reimbursement rate** to ensure a high base quality of care for all children, and (2) allow for setting higher county-level market rates when needed. A statewide market rate would serve as a floor for reimbursing providers and create greater equity in funding across the state.

Dive Into the Data

Like all families across the country, North Carolina families report that the cost of care is a major struggle. Across the state, child care consumes an average of **24% of gross household income**. However, this ranges greatly across the state, from around **38% in Mecklenburg, Orange, and Wake counties to around 19% in Ashe, Tyrell, and Duplin counties**. These percentages are all much larger than the seven percent of household income that the U.S. Department of Health and Human Services considers affordable for child care expenses. Explore this indicator and more through the **Pathways Data Dashboard**.

WHAT WE NEED

The collective sense of crisis created by the pandemic and broad public actions made in response to workplace shutdowns pushed discussions about paying for child care from being an individual to a collective issue. They also placed a focus on the solution: a primarily publicly funded child care and early childhood system that enables all working families to enter the labor force confident that their children will receive developmentally supportive care. Evidence informs us that when child care systems are publicly funded **"we can set clear standards for programming, teacher pay, and professional development, all factors that research links to a high level of care. Such standards, in turn, remove much of the guesswork for parents struggling to gauge the merits of various child-care programs."**

HOW TO SUPPORT

Child care subsidies are one public funding policy lever that is **supported by a majority of voters** across the political spectrum and across many interest groups, especially small and large businesses owners. This broad base of support is because subsidies accomplish multiple things—helping families have enough income left for other necessities after paying for child care, raising the wage floor for providers and strengthening the quality of care, helping women on the edge stay in the workforce, and helping businesses have the labor force to meet staffing needs. North Carolina's General Assembly and all local governments can engage in bipartisan policymaking that is creative and expansive regarding the variety of ideas and subsidy tools used to ease the child care cost burden, including grants, tax credits, salary supplements, and employer incentives.

> Increasing access to high-quality early care and education in communities with the most needs and vulnerabilities benefits all by improving the overall success of North Carolina's education and economic systems.

INITIATIVES WORKING IN THIS AREA

Every ChildNC is a community-led, statewide coalition of organizations, parents, teachers, and students who advocate for every child's constitutional right to a sound, basic education. Their work focuses on promoting equity so that race, ethnicity, economic background, regional location, disability, gender identity and sexual orientation, immigration status, and language are not barriers to educational opportunity. They are deeply engaged in advocating for the Leandro Plan, which is a non-partisan, research-based, community-informed set of policies and investments for modernizing our public schools and improving access to early education and K-12 programs and services.

The **NC Early Education Coalition** works to ensure that all children – regardless of race, family income, or zip code – have access to high-quality early care and learning experiences. The Coalition is the only statewide advocacy coalition dedicated to promoting high-quality, accessible and affordable child care across North Carolina. They accomplish their mission of advocacy and education b: developing policy positions, researching and producing fact sheets, providing training and resources, cultivating relationships with policymakers and the media, engaging a full-time lobbying team at the NC General Assembly, mobilizing advocates and Coalition members, and collaborating with state and national early childhood partners.

Visit the Pathways Action Map to learn more about these and other initiatives leading efforts in this area.

ACTION 3.12 *Increase education standards and develop a sustainable plan (including wage incentives and loan forgiveness) to align birth-through-age-five educator compensation with that of K-12 educators.*

INCREASE STANDARDS and COMPENSATION of BIRTH-THROUGH-AGE-FIVE EDUCATORS

In North Carolina, early educators with a bachelor's degree are paid nearly 30% less on average than their colleagues in the K-8 system. Many early educators also do not receive benefits. Research shows that increasing compensation and standards of birth-through-age five educators improves the quality of care children receive. When educators are adequately trained and compensated, they are also more likely to remain in the profession.

There is no simple private market remedy to these issues because when providers increase wages they must also increase the cost of care, and child care already consumes an average of 24% of gross household income in North Carolina. Public funding in the form of wage supplements that are tied to quality and stability of care can aid in stabilizing the system for both providers and families.

WHAT WE KNOW

Many now argue that **increasing professionalization, workforce stability, and quality of early care and learning requires a compensation-first policy approach**. This is because educator pay is one of the greatest predictors of turnover in child care and early learning programs. Although many find happiness and fulfillment in these careers, they also need to earn a living wage to be able to remain in the profession long-term.

Reducing turnover among early childhood educators is critical because it disrupts the child-teacher relationship and cuts short the professionalization and skill development needed to provide high quality care and a developmentally supportive learning environment. Staff turnover has been **linked to weakened language and social development in children birth to age five**.

North Carolina early educators with a bachelors degree are **PAID NEARLY 30% LESS** on average than teachers in the K-8 system. **MANY ALSO DO NOT RECEIVE BENEFITS.**

Dive Into the Data

The **Teacher & Administrator Education and Compensation** page on the Pathways Data Dashboard provides an overview of key findings related to educator turnover, compensation, employer provided health insurance in counties across the state. Explore other indicators related to standards and compensation on the **Pathways Data Dashboard**.

> The North Carolina Department of Commerce calls **child care and early learning educators "the workforce behind the workforce;"** without them many working parents, especially women, would have to exit the workforce.

WHAT WE NEED

Several studies have shown that **increasing wages reduces staff turnover** and increases quality of care. WAGE$, a North Carolina wage supplement initiative, found that in Mecklenburg county, **modest increases in wages resulted in a teacher turnover rate of 16%, much lower than the 32% statewide average turnover rate**. It is important to note that the amount of the wage supplement was connected with education level of the staff member to encourage continued educational attainment among the child care workforce.

HOW TO SUPPORT

Despite research showing just how much **early care and learning matters for children's later schooling success**, we have built a system in which educators working with infants, toddlers and other early learners receive dramatically different professionalization, working conditions, and wages than elementary educators. These working conditions include **"long hours, low pay, and [none to] limited benefits. Such work conditions lead to many early childhood educators living in poverty, struggling with depression, and facing food insecurity."**

Legislators, nonprofit advocacy organizations, and families can champion change by insisting on publicly funded salary and benefits supplements and professionalization initiatives. Two that have shown promise are **WAGE$** and **T.E.A.C.H. for Birth-through-age-five Educators and Directors**. Expanding WAGE$ and T.E.A.C.H. can improve outcomes for staff, parents, children, and the economy.

INITIATIVES WORKING IN THIS AREA

Worthy Wages for Worthy Work campaign is a program of the North Carolina Early Education Coalition that is building a movement to support the early childhood workforce. Launched in March of 2020, this grassroots initiative has brought together thousands of child care teachers and providers, parents, and community advocates to build public awareness and policymaker support for improving compensation and benefits for early educators. This campaign is structured as a state-level initiative with regional, community-based, or organizational advocacy "hubs" that customize advocacy opportunities and messaging for their networks, allowing them to have a wide reach that is still targeted.

Babies First NC aids in increasing quality of care in infant and toddler classrooms by providing funding for quality related improvements, funding to increase teacher compensation, and ongoing intensive technical assistance. They focus on quality enhancements established by research, NC Pre-K, and Early Head Start. Some of those quality enhancements include: reduced staff to child ratios, minimum required teacher education, scheduled teacher planning time, minimum teacher compensation, ongoing individual developmental assessment, and enrollment developmental screening and referral if indicated.

Visit the Pathways Action Map to learn more about these and other initiatives leading efforts in this area.

THE COMPLETE PATHWAYS TOOLKIT

PART ONE *(Click Here to Access)*

- Support Families in Advocating for their Children
- Require Linked Strategies Across Programs to Engage and Learn from Families
- Ensure Assessment Instruments are Culturally and Linguistically Relevant
- Ensure Education Accountability Systems are Culturally Relevant
- Provide Professional Development for Teachers on Cultural Competency/Working with Families
- Support Schools and Child Care Programs to Engage Deeply with Families

PART TWO *(Click Here to Access)*

- Recruit and Retain Educators and School Leaders of Color
- Adjust Hiring Practices to Ensure High-Quality Educators
- Invest in School Health and Mental Health Staff and Clinics
- Eliminate or Minimize Suspension and Expulsion

PART THREE *(current toolkit)*

- Create Family-Friendly Employment Policies
- Ensure Accessible Transportation to Early Care Programs, Schools and Health Services
- Increase Access to Infant and Toddler Care
- Increase Standards and Compensation of Birth-through-Age-Five Educators
- Expand Child Care Subsidies for Children; Raise Child Care Subsidy Rates; and Provide Higher Subsidy Rates to Providers in Underserved Communities

PART FOUR *(February 2024)*

- Address Barriers in Health Insurance Coverage of IECMH Services to Ensure Adequate Benefits
- Create a Mental Health Professional Development System Focused on Infant and Toddler Clinicians
- Expand the NC Child Treatment Program
- Increase Professional Development in Mental Health Treatment for Pediatricians and Family Physicians
- Integrate Mental Health Providers with Pediatric and Other Primary Care Practices

PART FIVE *(March 2024)*

- Use Data to Track Community Needs and Service Provision
- Screen Children and Families for Social Determinants of Health and Connect them to Appropriate Services
- Expand Maternal Depression Screening and Treatment
- Invest in Two-Generation Interventions
- Increase Access to Affordable Housing
- Include At-Risk Children in Early Intervention

OVERVIEW OF PATHWAYS

Pathways to Grade Level Reading (Pathways) began in 2015 as a uniquely North Carolina, statewide collaborative focused on creating a shared whole child, birth-to-end-of-third-grade framework outlining the developmental experiences and contexts that can significantly increase the likelihood that children will be reading at grade-level by the end of third grade.

Stakeholders identified coordinated strategies that can support children's optimal development beginning at birth and aligned policies and practices that are rooted in the science of how children develop. Pathways has grown into a partnership of hundreds of diverse leaders from across the state who have worked across sectors, geographies, and the political aisle with the goal of building a comprehensive, publicly-funded early childhood system for North Carolina and improving outcomes for young children.

Equity of opportunity is central to Pathways and its guidance for implementation. Stakeholders believe that attending to equity is the only way to achieve the singular vision that aligned their efforts:

All North Carolina children, regardless of race, ethnicity or socioeconomic status, are reading on grade-level by the end of third grade, and all children with disabilities achieve expressive and receptive communication skills commensurate with their developmental ages, so that they have the greatest opportunity for life success.

Pathways is comprised of three core interdependent components:

1. Health and development on track beginning at birth
2. Supported and supportive families and communities
3. High quality birth-through-age-eight learning environments

Each component is as important as the other because successful achievement of one facilitates success in the other two. Each component includes five research based Measures of Success that specify the experiences and developmental environments that children need to thrive. These measures are not an exhaustive list of all that matters to create the conditions that place children on the pathway to grade-level reading. However, they are the ones that have strong research-based connections to early literacy.

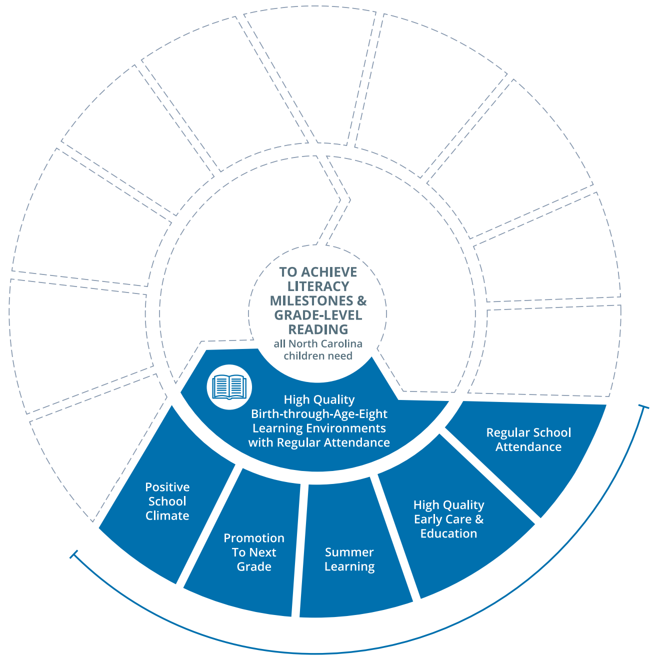
The first component is Health and Development on Track Beginning at Birth. Both physical and emotional health form the building blocks for a child's development, and prioritizing these from the earliest years lays the foundation for children's well-being in later years. This component is achieved when infants are born with a healthy birth weight, experience good physical health, are showing positive social emotional health, have good oral health, and receive early intervention when they have characteristics that place them at risk for poor developmental outcomes.

Pathways stakeholders identified 18 factors that influence or increase the likelihood that children will have these positive developmental experiences beginning at birth. Some of these influencers include pregnant women receiving timely prenatal care, children who are screened for social-emotional needs, and children receiving regular well-child visits. The others can be found on pages 15 to 18 of the Measures of Success.

The second component is Supported and Supportive Families and Communities. A stable and nurturing environment for young children cultivated by caregivers is a critical factor in supporting optimal development and overall well-being. This component is achieved when children are safe at home, have positive parent-child interactions, are being read to by their caregivers, learn from skilled and knowledgeable parents, and have parents who receive sufficient social support. Resources and services that recognize the crucial role caregivers play help to improve their capacity to effectively parent and improve children's early literacy outcomes.

Stakeholders identified 10 factors that influence the likelihood that children will grow up in supportive developmental contexts. Some of these influencers include families screened for poverty at well-child visits, parents with access to mental health, domestic violence and substance abuse services, and families having access to the Family Medical Leave Act. The others can be found on pages 22 to 24 of the Measures of Success.

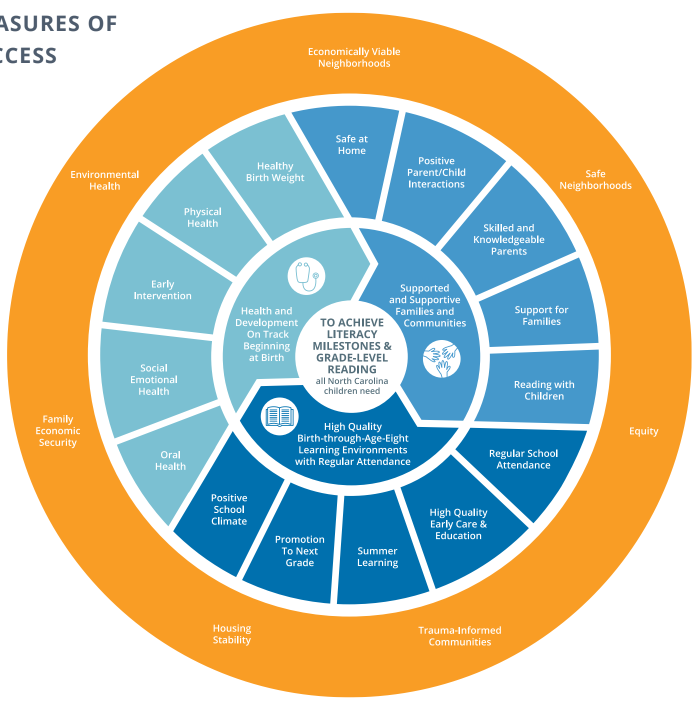
The third component is High Quality Birth-Through-Age-Eight Learning Environments with regular attendance. It is well established that high quality early learning environments are a huge factor in preparing children for success by providing a strong cognitive foundation. This component is achieved when children have quality early care and education settings, experience a positive school climate, have regular school attendance, meet the requirements for grade level promotion, and have summer learning experiences that enable them to maintain literacy gains. Adequate supports and resources for educators and caregivers work to ensure that all children's needs are met in the learning environment.



Stakeholders identified 13 factors that influence the likelihood that children will have these positive learning experiences. Some of these influencers include minimizing suspension and expulsion from programs and schools, ensuring students have access to programs and learning materials in their native language, and maximizing the number of eligible children under age six receiving child care subsidies. The others can be found on pages 28 to 32 of the Measures of Success.

Figure 1 illustrates how these three components create a whole-child multisystem framework for creating the environments and experiences that can set all children on a pathway to reading at grade-level by the end of third grade.

FIGURE 1: **CORE COMPONENTS AND CORRESPONDING MEASURES OF SUCCESS**



LEADING WITH RACIAL EQUITY

Pathways stakeholders identified racial equity as a critical lens that can aid in understanding and improving outcomes for children. This is because race in America plays a large role in determining children's life outcomes. As stated by Tamika Williams, associate director of child care with The Duke Endowment: "If we're going to be talking about need, then we need to know the folks who are in need," she said. "If we have any hope of changing population level outcomes, we have to know the true data and who is most impacted."

Leading with racial equity means prioritizing strategies that specifically work to improve outcomes for children of color. It also involves giving special consideration to the wisdom and innovation of people of color to develop responses that are lasting and reach all children. Convening a broad tent of stakeholders enables North Carolinians to learn together, support each other, and partner to advance racial equity work for young children. As stated by those who came together to develop Pathways: "when our systems work collaboratively and are shaped using a racial equity lens, we ensure the best possible future for our children and North Carolina."

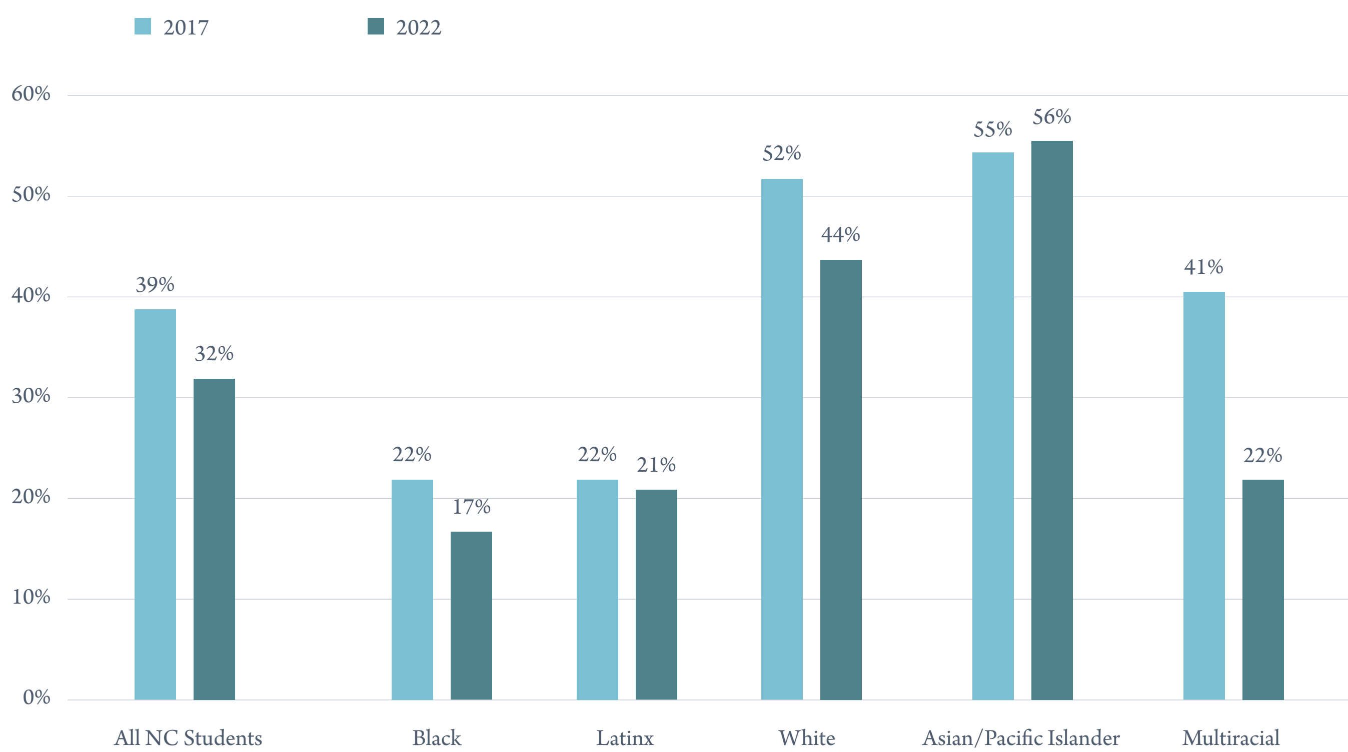
Pathways is evidence-based and enables stakeholders to see with a racial equity lens by disaggregating data so that we can clearly see and then address racial disparities in developmental experiences and outcomes.

When Pathways was being developed, too many children in North Carolina from all racial groups were not meeting the critical developmental milestone of reading on grade level by the end of third grade, and there were vast differences between racial groups. Students' National Assessment of Educational Progress (NAEP) scores showed that in 2017, 20% of white children in North Carolina were not meeting this benchmark, compared to 44% of Black and 43% of Latinx children.

If we're going to be talking about need, then we need to know the folks who are in need. If we have any hope of changing population level outcomes, **WE HAVE TO KNOW THE TRUE DATA AND WHO IS MOST IMPACTED.**

As shown in *Figure 2* below, the latest NAEP scores reveal the need to maintain our focus on creating the contexts and experiences that will increase all children's likelihood of reading at grade-level. In addition, they highlight the need for new urgency regarding the aim of narrowing racial and ethnic gaps. In 2022, 44% of white fourth graders were meeting the benchmark of being proficient in reading, compared to 17% of Black and 21% of Latinx children.

FIGURE 2: **PERCENT OF STUDENTS READING PROFICIENT AT THE START OF FOURTH GRADE, 2017 AND 2022**

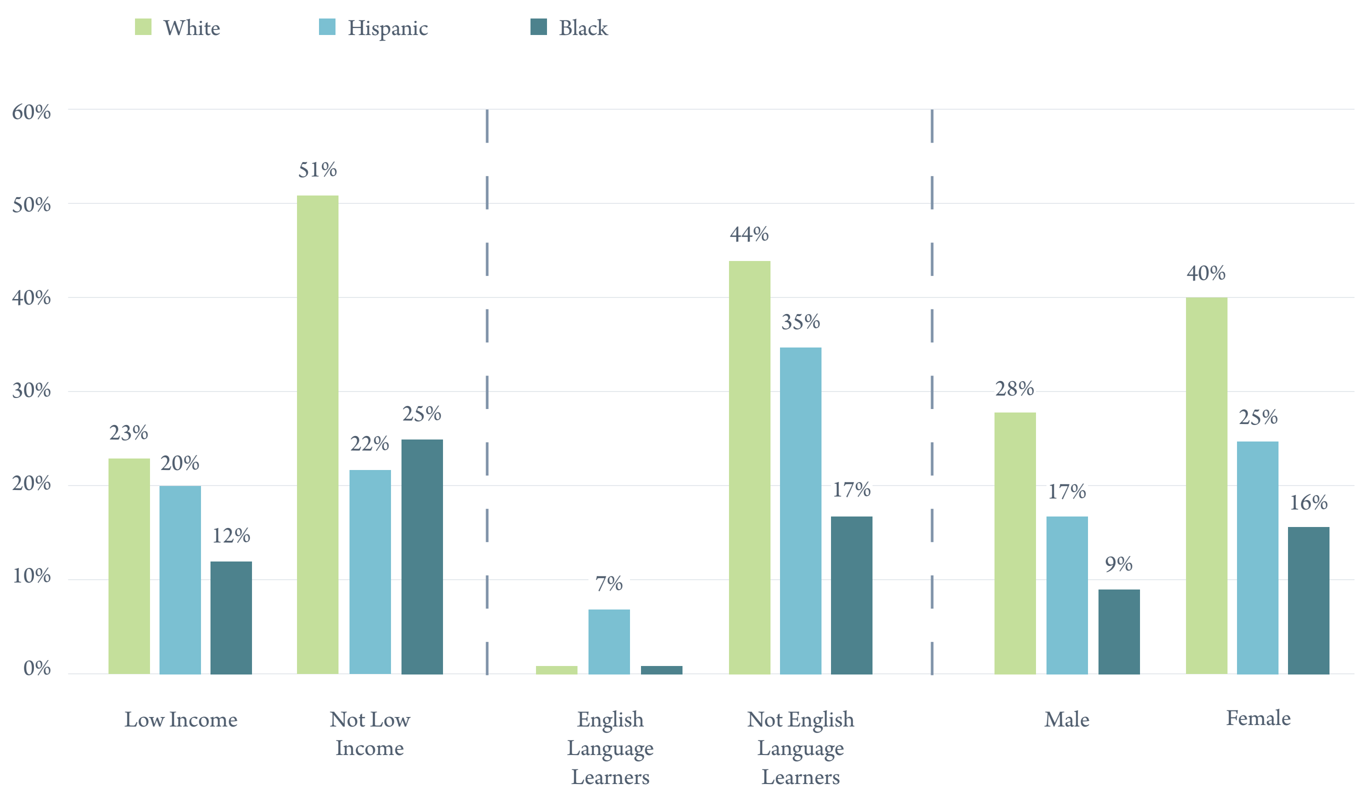


Note: Missing data on American Indian/Alaska Native students.

Pathways stakeholders identified income, ability, language of origin, geography, and gender as important status categories that are also associated with disparities in children's developmental opportunities and outcomes. Consequently, the framework and associated policy and practice recommendations identify interventions that aim to minimize the negative effects of these inequities. The figure below shows that race and ethnicity matters as a stand alone category for targeted intervention and in combination with the other status categories.

Figure 3 below illustrates that race is a key stratifying factor in relation to all of the other status categories. For example, even among not low-income students a significantly higher percentage of Latinx and Black students are not reading at grade level compared to white students. The results in the figure also allow us to see that race intersects with the other status categories to create some highly vulnerable groups, such as English learning Latinx students (only 7% of fourth graders are reading proficient), low-income Black students (12% are reading proficient), and Black male students (9% are reading proficient).

FIGURE 3: **PERCENT OF STUDENTS READING PROFICIENT AT THE START OF FOURTH GRADE, 2022**



10 YEARS

NC EARLY CHILDHOOD FOUNDATION — EST. 2013

www.buildthefoundation.org

The NC Early Childhood Foundation promotes understanding, spearheads collaboration, and advances policies to ensure each North Carolina child is on track for lifelong success by the end of third grade.

PROMOTING UNDERSTANDING

SPEARHEADING COLLABORATION

ADVANCING POLICIES

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