

Report of the Carrboro Childcare Committee

Membership of the Committee

The Carrboro Childcare Committee was composed of 12 members who met over the course of 2004-05. The Committee met with Carrboro Town staff and considered numerous issues involving the Town's zoning and development ordinances. The committee also relied on expertise from within the committee, having both childcare providers and subsidy program administrators on the committee.

As a Committee, we are proud to present this report and set of recommendations to the Carrboro Board of Alderman and the people of the Town of Carrboro. With this report, the Committee concludes its work as originally charged by the Board of Aldermen, however, the greater challenge of implementing these recommendations lies ahead. The Committee firmly believes that the principles laid out in this report should be implemented in communities throughout North Carolina, and we in particular recommend that the other municipal governments in Orange County look at how similar initiatives might be implemented in other jurisdictions.

Scope of the Child Care Challenge

Each day in Carrboro 579 families with preschool children (children under the age of six) need child care to enable parents to work¹. One-hundred and six of these families have children under the age of 5 and are living below the poverty line. The reality is that there are only 277 licensed child care spaces available in the community in which these children live². A family could expect to pay over \$11,500 for child care in a four-star center for their two-year old. This far exceeds the in-state tuition rate at the University of North Carolina. Child Care Services Association was able to provide scholarships to 77 children living in Carrboro last fiscal year. The median income of their families was less than \$20,000 a year. Fifty-one percent of these children were of Hispanic origin. Almost three-quarters of the children receiving scholarships lived in single parent households.

In addition, the Orange County Department of Social Services provided subsidy to 76 children living in Carrboro last year. Without help families like these cannot afford at high quality child care setting, often use unreliable care, frequently cannot work, and sometimes leave their children in unsafe settings. The needs are great, with 73 children living in Carrboro whose families are currently on the Child Care Services Association scholarship waiting list and 21 Carrboro children waiting for assistance through the Department of Social Services.

¹US Census Bureau Families with children under the age of 6 with all parents employed. The median family size is 3.01. <http://factfinder.census.gov>

²North Carolina Division of Child Development. Total of 10 facilities in the city of Carrboro. Three facilities have a maximum capacity of 16 but are restricted to enrolling 10 preschool age children. One facility has a maximum capacity of 8 but is restricted to enrolling 5 preschool age children. Seven facilities did not have any identified restrictions. <http://ncchildcare.dhhs.state.nc.us/general/home.asp>

Value of Early Childhood Education

Child care is a big issue for most families with young children. With almost 2/3 of children living in households where all their parents work, the selection of child care setting is one of the most important decisions a family can make for their child. Children from birth to the time they are in kindergarten, if they are in full time child care, may spend almost as many hours in that setting as they will spend in school from K-12th grade.

Whether a child is enrolled in child care because their parents works or because their parent wants a preschool experience for their child, the key to a child's developmental success is that the program must be of high quality – that is a program with low teacher:child ratios, educated teachers, and appropriate curriculum and classroom environments. Orange County is fortunate in having one of the best early childhood education system in the state.

Neuroscience and education literature is clear about the value of a high quality early childhood education and the economic benefits for children, families and society.

- **Educational Benefits:** National research of early childhood education programs and evaluation studies of the Smart Start program in North Carolina repeatedly show that children enrolled in high quality child care are better prepared to succeed in school and have improved math and language skills, enhanced cognitive skills, and better social skills. These findings are true for low-income children, and children of all incomes, race and ethnicity.
- **Workforce Support:** Child care scholarships indirectly support local employers and the workforce. In a study last year, over 800 low-income working families either received or were on a waiting list for child care scholarships and these families were employed in 226 different businesses and organizations throughout Orange County. Without child care financial assistance, families are often unable to work and local businesses are unable to recruit and maintain an effective workforce.
- **Economic Benefits:** Several national research longitudinal studies have documented the economic benefits of quality early childhood education citing a \$17 return on every \$1 in reduced costs for school remediation, juvenile crime and welfare dependency. A statewide study conducted in 2004 revealed that the child care industry in Orange County annually generates \$131 million in gross revenues by supporting working families who in turn pay state and local taxes. The child care industry itself employs 660 people in mostly small businesses and contributes nearly \$3 million to the Orange County economy.

Recommendations of the Committee

1. Zoning Issues

There are a number of zoning issues that significantly restrict the establishment of new childcare facilities in Carrboro. The Committee recommends:

- The Table of Permissible uses be expanded to allow childcare facilities in all non-industrial zoning districts (notably B1-C currently prohibits childcare),
- Define small childcare centers to have 15 or fewer children and large childcare centers to have 16 or more (currently 8 or fewer is small),
- Modify screening requirements for small childcare facilities to Type C screening, for example four foot fence with trees every 30 feet (currently requires six foot opaque privacy fence),
- Require a Zoning Permit for small childcare centers in commercial zones (currently requires a Special Use Permit).

The recommended changes generally address the level of regulation of small childcare facilities. Small childcare centers have a difficult time covering the cost of lengthy permitting processes or unnecessarily burdensome requirements. The state defines 15 as the maximum for “Childcare Center within a Home” and this seems to be a logical breakpoint for establishing what sort of center is no longer merely incidental to a residential zone.

The sight and sound of children playing in the neighborhood is a natural part of urban life and requiring Type A screening (a six foot high privacy fence) is not desirable for either neighbors or childcare centers. Type A screening makes it a basic assumption that childcare is an undesirable use that should not be seen. Type C screening presents many better opportunities for attractive landscaping.

The SUP requirement for small centers in commercial zones seems curious because a lower level of oversight is required when childcare centers are established in residential zones where such centers would be more likely to have some impact on neighbors.

2. Working Conditions

The committee discussed numerous challenges that face childcare workers. These challenges include modest pay, sometimes stressful working conditions and few fringe benefits. It is also often difficult for childcare workers to get on-going training and education (although some programs exist to foster further education).

The committee also took note of the fact that childcare workers often face an unusual set of health-related work place hazards such as back strain, exposure to communicable diseases and stress. Such health hazards are particularly ironic because the economics of childcare are such that it is often difficult for childcare centers to offer health insurance benefits to their employees. A further health insurance challenge is the fact that childcare facilities seldom have enough employees to qualify as a large group for health insurance purposes. This causes their health insurance costs to be considerably higher.

In light of these challenges, the committee recommends that the Town explore the feasibility of allowing some childcare facilities to buy into the Town’s health insurance group. Under this proposal the Town would bear none of the cost of the additional insured persons, but would merely grant access to large group health insurance rates.

The committee also feels that the opportunity to participate in this sort of program should only be extended to high quality childcare programs. The state has a five tier system of certification of licensed childcare facilities which could be used to determine eligibility for this program. We believe that such a rule would help create an incentive for lower rated childcare facilities to improve the quality of the program being offered in order to qualify for this benefit.

The committee recognizes that while similar programs have been successfully implemented in other states, there may be differences in state law that could make this type of program more challenging to implement in North Carolina. However, we urge the Town to explore this possibility with the Town's insurance carrier.

3. Model Employer

The committee believes that employers in our community have a significant obligation to support the families whose parents they employ. While the cost of childcare is a challenge that our society faces as a whole, we believe that individual employers can be role models in our community.

At present Orange County as a whole receives a significant but limited amount of childcare subsidy from the state through the More at Four program and Smart Start. These subsidies are used in a variety of ways, but primarily the funds go to assist low-income families by paying some or all of the cost of the families' childcare. This allows the families to afford a higher quality of childcare and also makes it possible for parents to work and be less dependent on society in other ways. Every year a significant portion of the childcare subsidies available to Orange County families are taken by the children of public employees. The University of North Carolina, the public schools, the county, OWASA and area municipalities all play a role in creating this situation. Naturally many private sector employers contribute to the problem as well.

However, the committee recommends that the Town of Carrboro acknowledge the role that it plays as an employer in using up the limited state subsidy money available to Orange County families. We believe that the Town should contribute to the county childcare subsidy pool an amount equal to that being used by families employed by the Town. Reviewing recent data, it appears that the usually 2-5 children of Carrboro employees are receiving state subsidies for childcare. We believe that the Town could annually contribute to the subsidy pool an amount equal to the value of the subsidies that were taken up by children of Town employees in the preceding year. We believe that this would represent an annual allocation of \$10,000 to \$25,000, varying from year to year based on the number of children being served by the subsidy program.

4) Inclusionary Development

The high cost of construction and the limited availability of land for development in our community make it difficult for childcare programs to find locations from which to operate. The committee views this problem as being analogous in many ways to the affordable housing problem in our community. Childcare as a business generally does not generate the revenues necessary to support the construction or lease of buildings for

childcare. And this problem is especially significant for childcare programs that are more accessible to lower income families in our community.

Current plans of the Town of Carrboro call for doubling the commercial tax base in Carrboro. Orange County plans call for the creation of 5,000 new private sector jobs and \$125,000,000 in new commercial development in Orange County over the next five years. While many of the new jobs that would be created by all of these plans will be higher income jobs that would presumably not add to the number of low-income families in the community, all of the new jobs will undoubtedly add to the level of competition among families for spaces in existing childcare facilities and programs. In other words, 5,000 new jobs will probably mean that the existing network of childcare programs will need to absorb many, many additional children. In addition there is likely to be continued growth in public sector jobs as well.

The committee therefore foresees that there is not only a present shortage of childcare spaces in Carrboro and in the County as a whole, but that this problem will get considerably worse over the next five years unless a significant amount of additional space is being created for preschools, daycares and other childcare programs.

The committee believes that part of the solution to this problem needs to be met by the commercial real estate development community, just as part of the solution to the affordable housing problem is being met by residential real estate developers. We believe that the Town of Carrboro should begin a process of considering how commercial real estate developers might be required to include childcare within large new commercial developments and/or help to finance the cost of creating childcare facilities in other locations within our community. We recognize that the legal and regulatory issues involved in a policy of this kind are complex. However, we also recognize that we must begin to explore requiring childcare space as a condition for commercial development or else face a serious shortage of childcare space in the near future.

Conclusion

The Carrboro Childcare Study Committee is grateful to the Board of Aldermen and the Carrboro Town staff for undertaking this study. We believe that Carrboro is a visionary community that deserves credit for recognizing that early childhood education is critical to the academic success of succeeding generations and that the economic vitality of our town is greatly affected by the availability of childcare in our community.

We recognize that increasing childcare opportunities and improving working conditions for childcare workers are not easy goals to meet, but we believe that they are worthy goals that require our community to apply creativity and energy. We hope that Carrboro will continue to consider the impact of Town policies on childcare and that the Board of Aldermen will work hard to implement the recommendation of this committee.

REPORT ON DIVERSIFYING CHILDCARE OPTIONS IN CARRBORO

One of the annual goals on the 2004-05 Work Plan is to improve options for childcare businesses. Alderman Chilton has prepared a report on this matter for the Board's consideration. The Board was requested to consider adopting a resolution establishing a Childcare Study Committee.

The following resolution was introduced by Alderman Joal Hall Broun and duly seconded by Alderman Alex Zaffron.

**A RESOLUTION ESTABLISHING A CHILDCARE STUDY COMMITTEE
Resolution No. 151/2003-04**

WHEREAS, childcare opportunities for Carrboro families are limited; and

WHEREAS, childcare is often expensive and difficult for working families to afford; and

WHEREAS, a better quality of childcare, a greater range of opportunities and lower childcare costs are in the interest of Carrboro families and Carrboro businesses.

NOW THEREFORE BE IT RESOLVED by the Carrboro Board of Aldermen that the Carrboro Childcare Study Committee is hereby established by the Carrboro Board of Aldermen.

BE IT FURTHER RESOLVED that the Town Clerk and Town Manager or their designee(s) shall solicit applications for appointment to the Committee.

BE IT FURTHER RESOLVED that the Committee shall be composed of relevant community stakeholders including but not limited to the following:

- A. One or more members of the Board of Aldermen,
- B. One or more home-based childcare facility operators,
- C. One or more state-licensed childcare facility operators,
- D. One or more unregulated not-home-based facility operators,
- E. A representative of Childcare Networks,
- F. A representative of the Orange County Partnership for Young Children,
- G. A representative from the Headstart and/or early Headstart program,
- H. Parent(s) of Carrboro children in daycare or preschool (or who would like to be in daycare or preschool), and
- I. Such other persons as the Board of Aldermen may choose to appoint.

BE IT FURTHER RESOLVED that the Childcare Study Committee is charged with gathering information and making a report to the Board of Aldermen regarding the following issues:

- A. Planning and zoning treatment of childcare facilities,
- B. Revenue neutral steps that the Town can take to increase childcare options in Carrboro, and
- C. Opportunities for improving working conditions for childcare workers.

BE IT FURTHER RESOLVED that this Committee shall dissolve within one year of the date of adoption of this resolution, unless its charge is extended by action of the Board of Aldermen.

The foregoing resolution having been submitted to a vote, received the following vote and was duly adopted this 4th day of May, 2004:

Ayes: Joal Hall Broun, Mark Chilton, Jacquelyn Gist, John Herrera, Diana McDuffee, Michael Nelson, Alex Zaffron

Noes: None

Absent or Excused: None

APPOINTMENTS TO THE CHILDCARE STUDY COMMITTEE

The Mayor and Board of Aldermen were requested to consider making appointments to the newly- established Childcare Study Committee. The Board of Aldermen established this committee on May 4, 2004.

The following resolution was introduced by Alderman Alex Zaffron and duly seconded by Alderman Jacquelyn Gist.

A RESOLUTION MAKING APPOINTMENTS TO THE CHILDCARE STUDY COMMITTEE Resolution No. 21/2004-05

WHEREAS, the Carrboro Board of Aldermen established a Childcare Study Committee on May 4, 2004; and

WHEREAS, the Childcare Study Committee has been charged with preparing a report to the Board of Aldermen regarding the following issues:

- Planning and zoning treatment of childcare facilities,
- Revenue neutral steps that the Town can take to increase childcare options in Carrboro, and
- Opportunities for improving working conditions for childcare workers;

and

WHEREAS, the committee is to be composed of the following relevant community stakeholders:

- One or more members of the Board of Aldermen
- One or more home-based childcare facility operators
- One or more state-licensed childcare facility operators
- One or more unregulated not-home-based facility operators
- A representative of Childcare Networks
- A representative of the Orange County Partnership for Young Children
- A representative from the Headstart and/or early Headstart program
- Parent(s) of Carrboro children in daycare or preschool (or who would like to be in daycare or preschool)
- Such other persons as the Board of Aldermen may choose to appoint;

and

WHEREAS, this committee shall dissolve on May 4, 2005, unless its charge is extended by action of the Board of Aldermen.

NOW, THEREFORE, THE BOARD OF ALDERMEN OF THE TOWN OF CARRBORO RESOLVES:

Section 1. The following appointments are made to the Childcare Study Committee:

Alderman Mark Chilton
Sadie Bauer
Rachel Beck
Rosalind Council
Kathleen Gallagher
Melissa Jack

Ethel Lindley
Devin Pressley
Michele Rivest
Susan Russell
Kathy Snethen
Deborah Taylor
Sonia Wiggins
Pam Zornick

Section 2. This resolution shall become effective upon adoption.

The foregoing resolution having been submitted to a vote, received the following vote and was duly adopted this 7th day of September, 2004:

Ayes: Joal Hall Broun, Mark Chilton, Jacquelyn Gist, John Herrera, Diana McDuffee, Alex Zaffron

Noes: None

Absent or Excused: Michael Nelson
