

Durham PreK Governance Committee Meeting NOTES

March 16, 2023 (9:30 – 11:30)

The meeting was live streamed on the Durham PreK You Tube Channel and conducted on Zoom. [Recording here.](#)

In Attendance, listed in random order:

Voting Members: Dr. Iheoma Iruka, June Shillito, Joy Spencer, Kate Goodwin, Michelle Lyn, Cathy Collie-Robinson, Sharon Hirsch, Beth Messersmith, Deric Boston, Dr. Kimberly Sowell, Xavier Cason

Non-voting Members: Dr. Kristi Snuggs, Dr. Linda Chappel, Tosh Adams, Cate Elander, Jena Fuchs, Brittany Gregory, Monnie Griggs, Joy Turner, Tammorah Mathis, Shannon Trapp

WHAT	NOTES
Welcome and Introductions	<ul style="list-style-type: none">• Welcome and Introductions.<ul style="list-style-type: none">o YouTube livestreamo Attendance reviewed and meeting quorum verifiedo Reviewed virtual meeting protocol
Meeting Objectives	<ul style="list-style-type: none">• Approve meeting notes from January meeting*• Consider an end of year spending authorization• Review reimbursements for service• Share updated budget request for 2023-2024• Review instructional staff compensation• Remind about member nominations• Share program updates*• Share Quality Subcommittee update [<i>Agenda item was moved to the next meeting due to time constraint</i>]• Confirm meeting schedule for SY 23-24 [<i>Item was moved to an email outreach due to time</i>]

<p>Action Taken</p>	<p>Governance unanimously approved the meeting notes from January 2023</p> <p>Motioned by Dr. Sowell, Seconded by Deric Boston, all in favor</p>
<p>End of year spending authorization</p>	<p>Consider the following with surplus funds:</p> <ul style="list-style-type: none"> • Bonus payments to instructional staff • Classroom supply payment <p>Context provided:</p> <p>The last two years, we received authorization to use unspent funds available to make bonus payments for lead teachers and instructional assistants. We cannot provide a specific dollar amount yet as spending for the rest of the year is still ongoing. Lead teachers and assistant teachers received direct bonus payments from the CCSA office during last school year (2022 – 2023) and in the year before (2021 – 2022). Different bonus amounts were paid each year; however, all instructional staff were given the same amount.</p> <p>Discussion:</p> <ul style="list-style-type: none"> • Dr. Iruka asked if programs would have to spend the classroom supply payment on certain approved items or how that would work. Dr. Chappel explained there can be flexibility if it is allowed in the vote to authorize. • Dr. Sowell asked if there was any attempt to survey providers about the need for additional classroom supplies. Dr. Chappel explained that our technical assistance team works closely with sites and we have heard of a lack of resources; however, we will be conducting a survey prior to the May meeting and can add this topic in order to solicit feedback. • June Shillito mentioned that the cost of food has skyrocketed, particularly fresh produce which they serve at their site. She said teachers also like to have autonomy over what supplies are ordered for their classrooms.

	<ul style="list-style-type: none"> • Cathy Collie Robinson mentioned that the bonus payments for classroom staff were very impactful last school year and believes they will help with retention. • Deric Boston asked if we can vote on these items separately. • Beth Messersmith mentioned wanting to understand the overall budget implications in order to best leverage surplus funds. Dr. Chappel provided more context and shared that every teacher and assistant received a \$4,000 bonus last year. Our goal would be to make bonuses as substantial as possible. • Dr. Iruka mentioned that her research has shown that bonus payments do work to support retention. • The group decided to vote on the bonus payments today and to wait until the May meeting to vote on the classroom supply payment.
Action taken	Governance unanimously approved bonus payments to instructional staff Motioned by Joy Spencer , seconded by Michelle Lyn, all in favor
Review Reimbursement for Service	<p>Dr. Chappel prefaced this by saying that the following items are meant to be shared and discussed to inform voting at the May meeting.</p> <ul style="list-style-type: none"> • Provide context for DPK rates by reviewing Durham’s reimbursement rates for subsidy vouchers, 4-year-old public preschool and private child care. • Examine our previous rate increases • Receive a recommendation for a rate increase • Discuss a potential new payment model <p>A monthly pre-k rate comparison chart showed Durham PreK to have the highest rates by comparison.</p> <ul style="list-style-type: none"> • Subsidy rate \$1156 • NC Pre-K rate \$1100 • Average private tuition \$1199 • DPK rate \$1350

Further data reviewed:

- \$866-\$1720 is the range in monthly private tuition rates in Durham for 4-year-olds in 5-star rated centers, as documented in the Work Life Systems Database, March 2023
- \$1180 is the median private tuition rate for 5-star 4-year old care
- \$1156 is the child care subsidy reimbursement rate for 4-year old care in 5-star rated programs

Proposed new payment plan:

1. **Increase the monthly DPK rate by 4%** from \$1350 to \$1400. Rates were previously increased in May 2022 by 4% to \$1300. Rates were increased in January 2023 by 4% to \$1350. Durham has the highest reimbursement rate for public preschool services in North Carolina. Even so, we feel that another increase is warranted given rising rent costs in Durham and the impact of inflation, among other challenges. It is important to us that we are constantly reassessing the costs to provide quality early education. We also are reminded that DPK issues a monthly teacher compensation support payment to sites to support the mandated salary scale as well.
2. **Add a pre-service payment** (additional payment in August, for a total of 11 payments throughout the school year). We suggest basing the pre-service payment on allocated seats in order to 1) assist sites with cash flow by providing funds in advance of service and 2) to provide funding to mitigate the impact of vacancies throughout the year (which typically average 10%) on revenue for sites. This payment would give sites the full per-month rate for all allocated seats.
 - We do not know of any other publicly funded preschool program issuing a pre-service payment.
 - We did not float this to providers for feedback as yet since we wanted to bring it to the Governance Committee first (in case it's not a possibility).

This strategy is an attempt to be innovative and allow flexibility for providers.
3. **Return to the pre-pandemic payment practice for children's services—on enrollment and attendance in alignment with the NC Pre-K program.** Prior to the pandemic, we paid for children served based upon attendance in alignment with the NC child care subsidy practices

and NC Pre-K practices. DPK is founded on a braided funding model strategy in an attempt to leverage public funding to the best of our ability. As it stands, this model presents a number of administrative challenges. Paying differently than NC Pre-K this year has presented even more of an administrative challenge. It also further complicates the entry and exit processes of children and lends itself payment errors. If we continue paying differently between programs for the same services to children, then we will need to allocate for additional administrative assistance due to the complexity of the process.

DPK has a progressive attendance policy:

- If a child attends at least half the days of the month, then a full month payment is made.
- Payment prorated if the child misses more than half of the days in a month (typically 10 or more absences) or if the child exits the program mid-month.
- Days the provider is closed or teacher workdays or holidays do not count against the child's attendance.
- Providers also receive a full month payment for a child's first month of attendance no matter when they actually start.

We believe that the strategy to create a pre-service payment will help providers for whom enrollment is an issue. If Governance is interested in this potential model, we will provide extensive data around attendance and vacancy rates across sites for your consideration.

Discussion:

- Cathy Collie Robinson is interested in how transportation impacts attendance. Dr. Chappel acknowledged that transportation is a barrier for some families. This issue is lifted up in feedback from community partners and parents. Transportation is an important issue and is provided in very limited ways by a couple of private child care sites, by Durham Public Schools for select children with special needs. It is not provided by Durham Head Start, Durham PreK or NC PreK. The DPK team and partners are exploring the issue further in our statewide Preschool Community of Practice as well as in the DPK Quality Subcommittee.

- Dr. Iruka asked if the proposed increase to \$1400 per month is enough. Sharon Hirsch seconded that question. Dr. Chappel explained that we recommended this increase on already receiving an 8% increase over the past year, and also taking into account teacher compensation support payments, in addition to other funding streams. She said that ahead of the May meeting, we will provide a visual to show members what the various income streams look like for classrooms. It's hard to know if another 4% increase is adequate but we do believe that a \$1400 per child per month payment, in addition to the teacher support payments, for a 6.5 hour instructional day, is a strong reimbursement rate. We are always looking at ways to pay more but we are also aware that when you look at our program in comparison to others across the state, we are already an outlier with a higher rate, and though we want to be, we also want to be mindful of how our proposals will be received by the public since this program is supported by taxpayers. If Governance votes for a higher reimbursement rate, the impact will be potentially scaling back on the number of seats allocated, unless Durham County decides to fund above the initial DPK budget request.
- Sharon Hirsch commended the thoughtful and innovative suggestion of a pre-service payment and thanked the team for bringing it forward.
- Beth Messersmith agreed and said she likes the idea of a pre-service payment and a higher reimbursement rate as many of our centers are women-owned, small businesses that she wants to support. She also questioned the rationale of paying on attendance versus allocation and said she wants to be clear on the motivation behind that. She asked if it is for the cost-savings behind the scenes of administration. She wants to ensure we're moving forward and not backward. She also asked for clarification on Dr. Chappel's statement that we are an outlier when compared to programs across the state.
- Dr. Chappel explained that the administrative burden is not the main concern, but that we want to be good stewards of funds. Since there is increased room for error, if we choose to keep paying on allocation, we would need to hire an additional administrative staff member. We want to be sure we are increasing staffing intentionally, not unintentionally. She asked, do we want to pay for children's service, or are we saying we're paying for empty seats? Some states are dropping attendance requirements but keeping the enrollment requirement. We are presently paying on allocation. She shared that in previous years the NC Division of Child Development and Early Education (DCDEE) ran a pilot reimbursement project for NC Pre-K in

which they paid based on a classroom model, regardless of enrollment. DCDEE found that those classrooms had less robust enrollment over time. DPK pays based on individual child care plans so we can track and drill down to specific data points. Our goal is to be as fully subscribed as possible rather than paying for vacancies. Whatever model we move forward with, we want to be sure we're structuring it in a way to gather good data and create good systems to ensure we don't make mistakes. She lifted again the difficulties of paying in different ways for each funding stream within the braided model. It has added another layer of complexity and takes away from our child-focused work because of the added administrative work. To support the sites, the pre-service payment is an innovation to "make-up" for the impact of vacancies.

- June Shillito mentioned that although their classroom has been full all year, she knows some providers would not be happy with being paid on attendance versus allocation since being under-enrolled has budgetary impacts. Dr. Chappel explained that the pre-service payment, if approved, would help off-set that cost, accounting for a 10% vacancy rate.
- Kate Goodwin mentioned that attendance is not only impacted by transportation, but illness and health concerns as well that in a post-pandemic world makes it difficult on providers who are trying to maintain healthy learning environments. She agrees with Beth Messersmith that she wants us to move forward rather than backwards.
- Brittany Gregory and Joy Spencer mentioned the high rate of illness their families face.
- Dr. Chappel provided more clarification that we have a very generous attendance policy. For the site revenue, the number of children enrolled has a bigger impact than attendance.
- Cathy Collie Robinson asked about the role and involvement of providers on enrollment. Dr. Chappel explained that providers are contractually obligated to participate in at least two formal outreach events. For some providers, this is a hot button issue as some do not feel they have the time to help deeply with recruitment and enrollment. We ask them to be partners in outreach. In terms of placement, the providers are not involved other than by creating high quality inviting environments. [Note: the exception to this is that when a child has been previously enrolled at a child care program, the director works with the placement team to assure that the child has the opportunity to rise to the DPK 4-year old class at their home site.] The DPK partner agencies (Durham's Partnership for Children, Durham Public Schools, Durham Head Start and Durham PreK) review the family's needs, developmental assessments of the child, eligibility factors, and parent preferences. We work to match children's needs with

eligibility guidelines for each type of seat and to know the strengths of each site so we can be ambassadors to parents for each site.

- Kate Goodwin said she is trying to understand where the choice comes in for families and as a provider, when we start referring families, what is the guidance/measurement that the offer meets their needs. Dr. Chappel explained that first, we have to look at what programs the children qualify for by looking at their application information, preferences, and developmental screening results. We work hard to match their preferences with their placement offer. However, we cannot always honor preference. When a family turns down their placement offer, they are placed on a waitlist so we can re-examine availability and then make another offer. During the application process, families have a chance to indicate their site or program preferences. These are honored where possible.
- Cate Elander asked, based on current vacancy rates, what percentage of providers would be in a better spot financially with a pre-service payment and what percentage would not? Cate also expressed concern about a tight budget environment, would a pre-service payment policy be more at risk of going away?
- Dr. Chappel said that we are reviewing vacancy rates to look at that data on a granular level to inform this decision making. We are waiting to complete a few more payment cycles this school year, looking at trends, to be able to share more comprehensive data. So yes, some providers, due to having a less than 10% average vacancy rate, would benefit financially from a pre-service payment model—though there are some providers who would not. We are looking at what the vacancy rate is throughout the whole year. There are a number of reasons that contribute to a higher than 10% vacancy rate. Some reasons include locations that are not convenient for parent’s work sites, gentrification in inner city neighborhoods, some relate to parent confidence levels during the pandemic, some include sites that need additional help telling their program’s quality story. There are all types of complexities. If we move to this pre-service payment model, more than half the private DPK sites will benefit financially. However, some would not and we would need to closely monitor any sites who are impacted negatively to address their low enrollment. Dr. Chappel emphasized that the issue of under-enrollment at certain sites cannot be overlooked or taken lightly. We will share individual data points about enrollment with Governance for each site ahead of the May meeting to assist with decision making.

<p>Instructional staff compensation</p>	<ul style="list-style-type: none"> • DPK Lead Teacher Salary range for SY22-23 is \$37,000-\$67,955 • A benefits survey was conducted in October 2022 of private child care programs. We know as a benchmark, Durham Public Schools has the most comprehensive benefits package. In October, the benefits survey was completed online by all current Durham PreK programs. We did not verify their responses for accuracy as the data is self-reported. Some DPK sites are managed as single sites, others are owned and managed as multiple sites. • The survey reviewed health, dental, and vision insurance as well as paid time off. 71.4% of DPK providers offer some type of health insurance paid at least partially by providers. 35.7% offer dental and vision. 85.7% offer paid sick leave, 100% offer 6 or more paid holidays. 85.7% of DPK providers offer retirement with contributions from the employer. For 64.3% of these providers, employer contributions are dependent on employee contributions. • Beth Messersmith asked about parental leave or family medical leave. Dr. Chappel said she does not have that readily available but will follow back up with the group. A comparison chart of the October 2022 DPK Benefits survey to the 2019 NC Early Care and Education Workforce Study shows Durham PreK providers offer more benefits than the state average in every category.
<p><i>FOLLOW UP INFO FROM THE DPK BENEFITS SURVEY</i></p>	<p>The following information was not shared at the meeting but is provided post meeting to follow up with Ms. Messersmith’s question about the state of parental leave and family medical leave availability in DPK sites, as well as other benefits:</p> <p><i>Job Protected Maternity/Paternity Leave</i></p> <ul style="list-style-type: none"> ▪ Less than half (42.9%) of Durham PreK providers offer job protected maternity/paternity leave. <p><i>Free Child Care for Employees</i></p> <ul style="list-style-type: none"> ▪ Very few (7.1%) Durham PreK providers offer free child care for employees. <p><i>Reduced Child Care Fee for Employees</i></p> <ul style="list-style-type: none"> ▪ Half (50%) of Durham PreK providers offer a reduced child care fee for employees. <p><i>FMLA Leave</i></p> <ul style="list-style-type: none"> ▪ Less than half (42.9%) of Durham PreK providers offer FMLA leave.

Community Convening update	<p>SAVE THE DATE</p> <ul style="list-style-type: none"> The community convening will be held June 24th at the Health and Human Services building. There will be a planning meeting in early April that all are welcome to join. An email invitation will be sent.
Governance membership	<p>REMINDER</p> <ul style="list-style-type: none"> We need nominations by the end of March for new Governance Committee members for school year 2023 – 2024. We are also accepting nominations for a new chairperson, and a new vice-chairperson. Our goal is to recruit 2-4 new members for SY 23-24, such as a practicing early educator, parent, business or faith leader, or early childhood researcher
*Program update	<ul style="list-style-type: none"> PreK Expo is coming up on May 20th at Durham Tech. Fliers will be sent to the group. We have hired a PreK Workforce Support Manager to begin in April who will be leading the development of the Early Educator’s Apprenticeship Program Thanks to the creation of an application overview video and demo videos, our YouTube channel views have increased over 500%. Phone support is available to families to support them in completing applications; however, the videos have been an excellent additional resource for families.
Action taken	Meeting adjourned at 11:30am

**** Agenda items with handouts***

Next Meeting is May 18 at 9:30am