

Funding Our Future: LA B to 3
Louisiana's Early Childhood Care and Education Commission
January 2019

Co-chairs: Representative Stephanie Hilferty and Senator Beth Mizell

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| Melanie Bronfin, J.D. | Paula Polito |
| Cade Brumley, Ed.D. | Abigail Iron Rope |
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Louisiana Department of Education's Office of Early Childhood worked with the Commission's legislative chairs to provide experts, resources, and presentations for five Commission meetings and three workgroups, held between August 2018 and January 2019. Every Commission meeting was open to the public and also available as a livestream. The video link and meeting agenda were posted according to the state's open meetings law. Archived video links, agendas, and materials are publicly available on www.LouisianaBelieves.com.

The Commission's meetings have consisted of national experts and local panelists who have shared research and practices in five key areas: access, quality, the early childhood marketplace, local governance and funding. Commission members and meeting attendees had the opportunity to learn from experts, ask questions, and offer public comment. National panelists represented the National Governors Association, the Education Commission of the States, the University of Virginia research partners, Opportunities Exchange, University of Virginia, Foresight Law and Policy, and Smart Start. Local experts included leaders from high-performing early childhood community networks.

Executive Summary

Louisiana is advancing a bold and ambitious early childhood care and education agenda to prepare children birth through age four for kindergarten and beyond, and to support our working families.

The Need is Significant, as is the Return on Investment.

- **Many young children in need:** There are 173,000 children in need¹, birth to three years old, currently living in Louisiana.²
- **Many working families:** Two out of three children under the age of five have both parents or their single parent working.³
- **Few quality early care and education options:** A child's brain is 90 percent fully formed by age 5⁴. Yet, fewer than 7 percent of in need children birth to two years old and less than 33 percent of three year olds can access quality child care in Louisiana. Louisiana's economy lost \$1.1 billion due to absences related to child care breakdowns.⁵
- **Early care and education works: Significant research shows that for every \$1 invested in high quality early care, the state yields a \$7.30 return on investment.** Children who participate in high-quality early care and education programs are less likely to:
 - Require special education services, or be retained a grade in school
 - Dropout before high school graduation
 - Develop a chronic disease in adulthood or be engaged in the criminal justice system⁶

Due to inadequate funding, the current system cannot meet the need, particularly for children birth through three. This gap negatively impacts children's learning and their

¹ The term "in need," used throughout the report, refers to families living at 200% of the Federal Poverty Level which is \$20,780 per year for a family of three.

² Department of Health. Retrieved from: <http://ldh.la.gov/index.cfm/page/398>

³ Kids Count. The Annie E. Casey Foundation. (2018) Retrieved from: <https://datacenter.kidscount.org/data/tables/5057-children-under-age-6-with-all-available-parents-in-the-labor-force?loc=20&loc=2#detailed/2/20/false/871,870,573,869,36,868,867,133,38,35/any/11472,11473>

⁴ First Things First. Retrieved from: <https://www.firstthingsfirst.org/early-childhood-matters/brain-development/>

⁵ Losing Ground: How Child Care Impacts Louisiana's Workforce Productivity and the State Economy. Retrieved from: http://www.brylskicompany.com/uploads/1/7/4/0/17400267/losing_ground-1.pdf

⁶ Quantifying the Life-Cycle Benefits of a Prototypical Early Childhood Program. The National Bureau of Economic Research (NBER) Working Paper (2018). Retrieved from: www.nber.org/papers/w23479.pdf?sy=479

families' participation in Louisiana's workforce.

The Solution: Learning From Louisiana's Prior Success

Louisiana created LA 4 and today 90% of four year olds in need have access to quality early learning.

- The impact on learning is already being seen in Louisiana: Longitudinal research on Louisiana's Pre-K⁷ students showed a decreased number of students repeating kindergarten, improving test scores, and reducing the need for special education placements.
- This investment occurred over 10 years so it was not an overnight success, but proves Louisiana can and has made these sizable, impactful investments.
- Louisiana needs to create LA B to 3, a commitment to serve children birth to three with the same high quality care.

Investing in a Better Future

Louisiana is scraping the bottom of US maternal and early childhood health outcomes, and has decreased workforce productivity and economic competitiveness⁸. Without investment in early care and education, Louisiana can expect more of the same.

With investment in early care and education through LA B to 3, Louisiana will be transformed in one generation.⁹

The Commission recommends an investment of \$85.8 million to create LA B to 3, and an increase of nearly that amount annually over the next decade. State investment should launch this effort with expanded, combined funding (local, state, federal, philanthropy) thereafter.

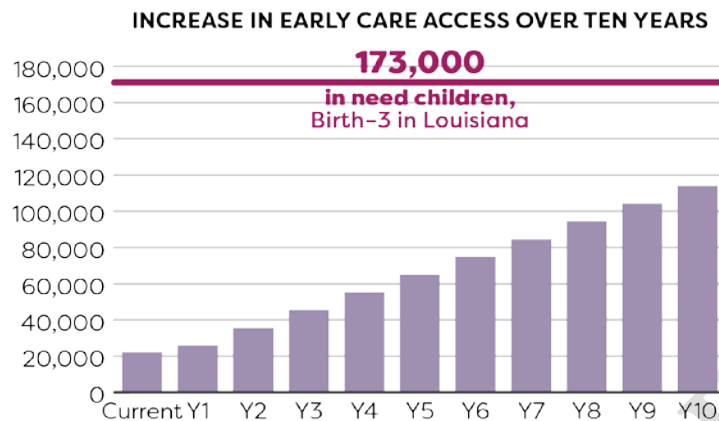
Funds will:

- Expand quality seats to serve 114,000 Louisiana children in need, prioritizing children birth through three, an increase from only 22,000 children in that age range served today, and
- Strengthen resources for all families, regardless of need, that support nurturing relationships with young children.

⁷ Eighth-Grade Outcomes for LA 4 Cohort 1 Students. (2013). University of Louisiana at Lafayette. Technical brief

⁸ Kids Count. The Annie E. Casey Foundation. (2018). Retrieved from: <https://datacenter.kidscount.org/data/tables/5057-children-under-age-6-with-all-available-parents-in-the-labor-force?loc=20&loct=2#detailed/2/20/false/871,870,573,869,36,868,867,133,38,35/any/11472,11473>

⁹ Early Childhood Education: Quality and Access Payoff. James J. Heckman. Retrieved from: https://heckmanequation.org/www/assets/2017/01/F_Heckman_Moffitt_093016.pdf



What can Louisiana’s policymakers and state partners do to address this need?

- **Louisiana’s future is tied to the success of its children. Commit to short- and long-term funding to implement LA B to 3.**

Louisiana’s Early Care and Education Commission

Louisiana’s Early Care and Education (ECE) has received national attention¹⁰ for its design and focus on: high expectations for children’s achievement and progress; families who are able to choose the option best suited for their children; and knowledgeable, skilled teachers who continue to learn and grow throughout their careers. To bolster its multi-year effort to unify the state’s early childhood system and improve kindergarten readiness, the legislature established the state-level Early Childhood Care and Education Commission (the Commission) through [Louisiana Act 639](#) (2018). The legislation calls on the Commission to develop a vision and plan to address affordable access to high-quality early childhood education for Louisiana’s children, birth through age four, and formalize the local governance structures (community networks) to support increased innovation in local contexts, ultimately leading to improved quality and access to funding. The Commission was tasked with building on the system’s strengths and addressing current gaps, including access, quality, stable early childhood workforce, funding, family resources, and locally-driven decision making. More discussion on these gaps is included on p. 10.

Glossary

In need: 200% federal poverty limit, which is \$20,780 annually for a family of 3

ECE: Early Care and Education programs that serve children birth through four.

Community Networks: Local hubs where early care and education functions are coordinated across programs.

Quality: The level of emotional and instructional support a child receives from a qualified teacher in a well-organized classroom.

The Commission’s work builds upon the state’s progress to provide high-quality early

¹⁰ New America. Lessons from the Bayou State: Three Reforms for Improving Teaching and Learning. (2018). Retrieved from: <https://www.newamerica.org/education-policy/reports/lessons-louisianas-early-childhood-system/>

care to thousands of in need Louisiana families who are unable to access quality options.

The Commission's appointees consist of providers, advocates, government officials, and community members. The Commission is co-chaired by Senator Beth Mizell, Louisiana State Senator for District 12, and Representative Stephanie Hilferty, Louisiana State Representative for District 94. Other members include the First Lady of Louisiana and gubernatorial appointees.

Between August 2018 and January 2019, Commission members participated in the following activities to develop a vision and plan for early childhood:

- (1) Gather and analyze data relative to the current availability, quality, and cost of early childhood care and education throughout the state for children from birth through age four, determine needs and priorities, and develop a plan focused on family access, affordability, and quality.
- (2) Consider research, local coordination currently established in Louisiana including current high-performing community networks, and related work done in other states to determine best practices for the purpose of informing and fostering the continued development of local governing entities that coordinate across programs and providers in order to meet family needs, drive quality improvement, maximize financial resources, and support children from birth through age four and their families.
- (3) Determine a sustainable infrastructure to ensure quality programs across providers. Such infrastructure shall include workforce and professional development, monitoring and assessment, coordinated enrollment, and data-informed decision making.
- (4) Identify opportunities for collaboration and coordination among programs and agencies responsible for development of children from birth through age four.
- (5) Define a timeframe for achieving the vision and benchmarks for the intervening years.
- (6) Determine the amount of funding needed to achieve affordable access to quality care and education for all children from birth through age four and recommend policies that prioritize the allocation of future funding.

Commission meetings were guided by a variety of presenters and speakers, including local community network leaders and national experts representing the National Governors Association, the National Conference of State Legislatures, the Education

Commission of the States, The University of Virginia, Opportunity Exchange, Foresight Law + Policy, Smart Start, and the National Institute for Early Education Research. These experts emphasized several key messages:

- Birth to five is a critical time in a child’s development, and the quality of interactions matters.
- Louisiana’s early education system is well-established, though its potential is limited by the dire need for additional child care for infants through three year olds.
- State investment yields a high return, and there are regional and national examples of early childhood education as a funding priority.

I wasn’t always on board with Pre-K. But once I walked into a classroom and saw smiling children with books in their hands, it all clicked. Reading to them, having them comprehend the story showed me the value of early education. –Darrell Fairburn, Superintendent, Washington Parish Schools

Louisiana’s Track Record of Success

Since 2012¹¹, Louisiana has been building its nationally-recognized¹² approach to unifying a fragmented ECE system. The system focuses on the quality of teacher-child interactions as a key driver to positive, lifelong outcomes for children. Sixty-five community networks implement this system locally, through classroom observations, coordinated funding for allocated seats, and coordinated enrollment. The state leads improvement efforts by reporting performance data and analysis, funding local and statewide supports, and creating initiatives that improve quality. More about Louisiana’s system in *Appendix A*.

Louisiana has also achieved great success in providing quality, affordable early care and education to four year olds. Today, over 90 percent of Louisiana’s four year olds in need can access a full-day Pre-K program, and almost all of these programs have the structural components that promote quality, such as certified teachers and low teacher-

¹¹ Louisiana Early Childhood Act in 2012, also known as Act 3, established a structure for the state’s early childhood system.

¹² Creating an Integrated Efficient Early Care and Education System to Support Children and Families: A State-by-State Analysis, Bipartisan Policy Center. (2018). Retrieved from: <https://bipartisanpolicy.org/library/ece-administration-state-by-state/>

child ratios.¹³ This is a great achievement for Louisiana. **However, serving this high number of four year-olds was achieved over many years, through numerous funding sources, and through the leadership and persistence of policy makers at both the state and local levels.**

LA 4, the state's largest program for four year olds, was established in 2001 and serves approximately 16,000 children annually. Although state funding for this program reached a peak (\$82 million) in the 2008-2009 school year, LA 4 has been sustained with majority federal funds. As LA 4 and other programs have yielded significant developmental and educational results for four year olds, superintendents, local leaders, and the state board of education expanded funding options to support Pre-K (through Title I and state block grants). In 2018, Louisiana achieved more than 90 percent access for four year olds through multiple programs that are aligned in a common quality rating system.

*Starting kindergarten without Pre-K is like starting 10 yards behind in a 100-yard dash.
-Superintendent Cecil B. Picard, LA 4 founder,
former state superintendent of education, former state Representative and state Senator*

Expand Pre-K Success to Louisiana's Younger Children

Louisiana now needs to expand early care and education for children birth through age three, which will provide high quality experiences for Louisiana's children during the most critical time of brain development¹⁴. It will also allow working parents, who need access to high quality child care, to fuel Louisiana's expanding economy. While two thirds of children¹⁵ need quality care during their family's work hours, the cost is as much as a public college tuition.¹⁶

¹³ National Institute of Early Education Research. Retrieved from: http://nieer.org/wp-content/uploads/2018/04/Louisiana_YB2017.pdf)

¹⁴ Harvard Center for the Developing Child. Retrieved from: <https://developingchild.harvard.edu/science/key-concepts/>

¹⁵ Kids Count. The Annie E. Casey Foundation. Retrieved from: <https://datacenter.kidscount.org/data/tables/5057-children-under-age-6-with-all-available-parents-in-the-labor-force?loc=20&loct=2#detailed/2/20/false/871,870,573,869,36,868,867,133,38,35/any/11472,11473>

¹⁶ Parents and the High Cost of Child Care. Child Care Aware. Retrieved from: http://usa.childcareaware.org/wp-content/uploads/2017/12/2017_CCA_High_Cost_Report_FINAL.pdf

A Vision for the Future of Early Care and Education in Louisiana

Early Childhood Care and Education Commission Vision: Every child in Louisiana has an equal opportunity to a quality foundation that will prepare them to grow, learn, and succeed.

To ensure the Commission's vision for the future of early care and education in Louisiana, a commitment to families of young children is needed to:

- maintain and increase current availability of seats;
- maintain and increase the quality of seats;
- increase the subsidy rates to ensure families can access quality care all across the state; and
- increase resources for all families.

This will require significant state investment.

A sophisticated analysis of over 20 Pre-K programs for disadvantaged children demonstrated that quality Pre-K returned an average 'profit' (economic benefits minus costs) to society of nearly \$30,000 for every child served by cutting crime and the cost of incarceration and reducing other costs such as special education and grade retention.¹⁷ -Fight Crime, Invest in Kids, 2016

Recommendation for Legislative Action

Louisiana will be transformed in one generation if the state invests in the care and education of its youngest children. **The Commission recommends an initial state investment of \$85.8 million to begin LA B to 3, and an increase of nearly that amount each year over ten years.**

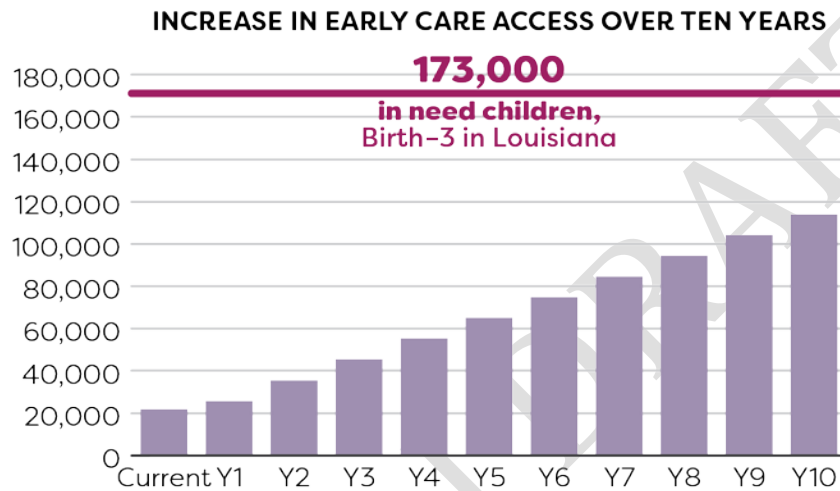
State investment should launch this effort, with expanded, combined funding (local, state, federal, philanthropy) thereafter.

- Initial funding of \$85.8 million (a) provides service for an additional 5,520 children awaiting seats, thereby clearing the current waitlist, (b) raises subsidies to market level for current seats to ensure seats are accessible, and (c) continues access for ~800 four-year-olds served through an expiring grant.
- Each year, for an additional nine years, ~9,630 children will be added, ultimately reaching 92,000 additional children served over ten years. Funds will increase

¹⁷ Preschool Key to Cutting Louisiana Prison Bill and Boosting School Success. (2016). Fight Crime: Invest in Kids.

access, quality, and affordability of ECE to significantly bolster children's readiness for kindergarten.

- An additional million annually will support evidence-based family resources for children birth through age four statewide.



| LA B to 3 | | | |
|----------------------------|------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| Outcome | Output After Ten Years | Initial State Investment | Total Funding |
| Child care access | Expand access from 22,000 to 114,000 additional children, ages birth to three. | \$78.1 M -Funds access for eligible children sitting on the waitlist as well as authorized children awaiting service -Funds expiring federal program to continue service for 800 children at the LA 4 rate -Ensures minimally-adequate rate for children currently served via CCAP | \$771 M |
| Ensuring quality | Support quality, measurement, professional development and coordination for expanded service providers and classrooms. | \$6.7 M | \$67 M |
| Supporting families | Increase voluntary, evidence-based resources and supports for parents. | \$1 M | \$1 M |
| Total Allocation | | \$85.8 M | \$839 M |

Note: Louisiana's current CCAP rate funds seats below the 25th percentile of the Louisiana child care market rate, meaning that it subsidizes access to less than 25 percent of available seats statewide. Recent Louisiana data on utilization of funding indicates that these low rates are negatively impacting families' ability to access services because they cannot afford to pay the difference between the seat funding received and the amount charged by the provider. This leaves parents who are working or in school without access to child care options thereby impacting Louisiana's workforce.

Recently the federal Department of Health and Hospitals has flagged Louisiana's funding rates as unacceptably low. The figures above raise conservatively the Louisiana rate for

children currently served via CCAP, as well as fund the current children on the waitlist to address this issue.

The cost to address the waitlist at the current, low CCAP rate and to continue seats funded by an expiring grant is \$40.3 million; however, funding the current waitlist seats below the 25th percentile rate will not meet the Commission’s goals for increasing access for children and families in need, nor support a more productive workforce. The full allocation is need to address the challenge. See *Appendix C* for a more detailed budget.

Through LA B to 3, Louisiana expects the following outcomes:

| Outcome | Current State | Result of Investment |
|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| Access | <p>Only 7 percent of in need children birth through two years old and 33 percent of in-need three year olds have access to care, as compared to 90 percent of four year old children in need.</p> <p>There are limited available options for families because of the high cost of care and low reimbursement rates. Decreased state investment in the Child Care Assistance Program has led to more than a 50 percent decline in the number of children served since 2008. The waitlist for subsidized care is typically 5,000 families. The difference between the current Child Care Assistance Program (CCAP) reimbursement rate and the market rate for care can make even subsidized seats out of reach for Louisiana families, particularly for infants and toddlers. One in five children authorized for service is consistently under-utilizing the subsidy for care.</p> | <p>The recommended legislative action increases the percentage of birth through three year old children served from 13 percent to 66 percent.</p> |

| Outcome | Current State | Result of Investment |
|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Quality | High quality early learning programs are too limited in number and cost is a barrier for families. While Louisiana has seen significant improvement in the quality of care since the inception of the state's unified rating system, too many in-need children, particularly those at younger ages, are served in seats that are not fully preparing them for kindergarten and beyond. | Louisiana has established an early care and education system that is increasing the quality of experiences children are having through multiple levers: a focus on the quality of teacher-child interactions, credential requirements for teachers with high-quality pathways to achieve those requirements, and a community-led focus on improving birth through four offerings. As the number of children served increases, quality supports will scale. |
| Workforce | Two thirds of Louisiana's families ¹⁸ that include children birth through age five work outside of the home and require quality care during their work hours. However, child care costs almost as much as a public college tuition. ¹⁹ The early care and education workforce is critical to quality, but poorly compensated. Child care professionals are paid a low wage, earning less than half of what school-based four year old teachers make, and typically with no benefits ²⁰ . This contributes to high turnover (~45 percent ²¹), which | State funding stabilizes early childhood meaning greater reliability for parents and higher compensation of the early childhood care and education workforce. |

¹⁸ Kids Count Data. (2018). The Annie E. Casey Foundation. Retrieved from: <https://datacenter.kidscount.org/data/tables/5057-children-under-age-6-with-all-available-parents-in-the-labor-force?loc=20&loct=2#detailed/2/20/false/871,870,573,869,36,868,867,133,38,35/any/11472,11473>

¹⁹ "Parents and the High Cost of Child Care," Child Care Aware (2017). Retrieved from: http://usa.childcareaware.org/wp-content/uploads/2017/12/2017_CCA_High_Cost_Report_FINAL.pdf

²⁰ Troubling Pay Gap for Early Childhood Teachers. U.S. Department of Education. (2016). Retrieved from: <https://www.ed.gov/news/press-releases/fact-sheet-troubling-pay-gap-early-childhood-teachers>

²¹ Louisiana Child Care Market Rate Survey. Louisiana Department of Education. (2014), Retrieved from: <http://www.louisianabelieves.com/docs/default-source/early-childhood/louisiana-child-care-market-rate-survey---2014.pdf?sfvrsn=4>

| Outcome | Current State | Result of Investment |
|-----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | significantly affects quality of care for children. | |
| Family Resources | Families are a child's first and best teachers. Families in Louisiana could benefit from additional knowledge, resources, and support to raise healthy, thriving children. Examples of programs include the home visiting, mental health consultation, and parenting tools for healthy development. This is particularly important for families in rural areas where there are few resources available. | Funding expands voluntary, evidence-based programs that provide knowledge, skills, and support for families of young children not enrolled in child care. |
| Funding | Best practices in early childhood funding include state funding, as well as diverse revenue streams. Louisiana's current ECE structure relies heavily on federal dollars (nearly 90 percent) and limited state funds. | Initial state investment will launch a diversification of funds, including a combination of state appropriations, local revenue raising, philanthropy, and other partnerships over ten years. An <i>Appendix</i> to this report includes approaches for raising revenue, as successfully completed in other cities and states. |
| Cost of Quality Care | Louisiana's subsidy rates are well below what centers charge, meaning in need families are required to make up the difference. The average annual rate for infant-toddler child care is \$7656 a year ²² . This amount is out of reach for in need families and the rate does not fully reflect the high costs of quality to providers. | The subsidy rate – a conservative increase to the current, low rates included in the legislative recommendation – must be closer to the actual cost of care than current rates. Adequate funding per child ensures families can access the service and teacher compensation can improve. |

²² Louisiana Child Care Market Rate Survey. Louisiana Department of Education. (2014), Retrieved from: <http://www.louisianabelieves.com/docs/default-source/early-childhood/louisiana-child-care-market-rate-survey---2014.pdf?sfvrsn=4>

FUTURE ACTIONS for the COMMISSION

Louisiana must continue to strengthen access, quality, affordability, and local decision-making governance in Louisiana's ECE system. In 2019, the Commission will receive reports from the Louisiana Department of Education on the use of any new funds, and study the following areas through its meetings:

1. **Locally-driven decision making:** The Commission will study the [Ready Start pilots](#) where (a) the community establishes a formal local governance structure for shared decision making, (b) continually measures the need for affordable access and available resources and services for children ages birth through four, (c) identifies and maximizes resources for access and quality among early learning programs and (d) determines how future dollars should be spent to improve access and quality. Lessons learned from these pilots will inform future recommendations from the Commission.
 - a. **IMPACT:** Ready Start pilots develop local plans to drive local improvement, informing statewide strategies for growth in access and quality.
2. **Quality:** Healthy development is dependent on physical and mental health, as well as positive adult-child relationships. The Commission will study promising practices in evidence-based programs that provide guidance and assist families, particularly for infants and toddlers. Investments should be made in the most effective and impactful programs.
 - a. **IMPACT:** More children will have higher quality early learning experiences providing a greater ROI for the State and better outcomes for children and families
3. **Affordability and Access:** Child care programs primarily serve children birth through four, and face particular challenges due to their size and administrative capacity. The Commission will study best practices, such as shared services, to maximize investments and ensure providers stay in business, while maintaining affordability for families.
 - a. **IMPACT:** The small business engines that are child care providers will stay in business, providing consistency for parents, caregivers, children, and those teachers and staff employed by the provider. By extension, business will have more reliable work force.
4. **Collaboration:** The state needs to lead on funding. However, the Commission's goals cannot be reached with state dollars alone; in order to be stable, long-term, and achievable, LA B to 3 must be comprised of local, federal, philanthropic, and public-private partnership funds. The Commission will identify opportunities for greater collaboration between stakeholder groups -- state agencies, business and industry, workforce development, philanthropy -- to sustain the effort.

- a. IMPACT: Additional opportunities from diverse stakeholders and multiple, ongoing sources of revenue will be identified to support desired child care service delivery.

Louisiana's future is tied to the success of its children. When implemented, LA B to 3 will benefit all residents in a single generation.

- Young children are healthier and better prepared for kindergarten, and equipped for life.
- Families have tools and resources to provide their children with a strong foundation for their future.
- Businesses and employers can rely on productive employees, and will reap the benefits of a well-cared for and well-educated workforce in the next generation.
- All taxpayers and communities benefit because an investment in early childhood reduces spending in future years, including strengthening the state's other educational investments, from elementary to higher education.

Many policy makers have come to understand the critical importance of early care and education for our working parents and for our children, and have stated they think it should be a top priority. However, at the end of the day, our state budget is our ultimate policy document, and we are spending less than one-half of one percent of our state general funds on ECE. If we truly think this is important, then we must fund it. -Melanie Bronfin, Louisiana Policy Institute for Children

Appendix A: Background on Louisiana's Early Childhood System

To address a fragmented early childhood system that prepared only about half of its children for kindergarten, the Louisiana State Legislature unanimously enacted the Early Childhood Education Act of 2012 ([Act 3](#)), which sought to have all children in publicly-funded early childhood programs on track for success in school. As required by Act 3, BESE established the statewide early childhood network and expectations for coordinated observations and coordinated enrollment in administrative code ([Bulletin 140](#)). By unifying early childhood programs into local community networks that make up the statewide early childhood network, Louisiana is able to coordinate delivery models and funding streams such that more economically disadvantaged children access high-quality opportunities. A lead agency in each community is responsible for coordinating enrollment and measuring the quality of the publicly-funded child care centers, school-based pre-K, and Head Starts that serve economically disadvantaged children.

Since the passage of Act 3, Louisiana has made significant strides toward realizing the vision that all children are prepared when they enter Kindergarten:

- **A Common Measure of Success:** *A unified rating system for all program types serving children birth to five that evaluates the quality of teacher-child interactions using CLASS®.*
 - More than 75% of publicly-funded early childhood sites scored Proficient or above, the state's threshold of quality, in 2017-2018, which is up from 62% in 2015-2016.
- **Informed Families:** *A website with readily available, easy-to-understand data on program quality to guide families' decisions.*
 - In fall 2018, Performance Profiles for more than 1,500 sites across the state were publicly released via the state's new [School and Center Finder](#) online tool, a family-focused interactive website, and the first of its kind nationally.
- **Certified Teachers:** *An ancillary certificate designed especially to prepare Louisiana's child care educators.*
 - An ancillary certificate was designed to prepare Louisiana's child care educators. Since 2014, more than 5,000 previously uncertified individuals have earned the [Early Childhood Ancillary Certificate](#). Since 2014, Louisiana has established 22 child care teacher preparation programs, accessible through scholarship funds.
- **Workforce Support:** *A School Readiness Tax Credit that incentivizes teacher retention and community investment.*
 - The [tax credit innovation](#) helps address critical challenges with early care and education compensation.
- **Local Implementation:** *Community networks drive improvement of quality and access at the local level.*
 - In the fall of 2018, community-led efforts resulted in the coordinated enrollment of nearly sixty thousand publicly-funded full day seats and in more than 5,500 classrooms receiving local CLASS® observations conducted by trained and certified observers.

Louisiana’s comprehensive structure provides support and accountability to strengthen existing early childhood investments while reinforcing quality.

From a 2018 New America report: “Louisiana policymakers have enacted multiple reforms to strengthen the state’s early childhood education workforce, with a strong focus on infant and toddler teachers. Their goals have been ambitious while remaining realistic about available resources and the starting place of the workforce. Their efforts are coordinated toward creating more consistent high-quality ECE experiences for all children from birth to age five.”

Unofficial DRAFT

Appendix B: The Commission's Guiding Principles for Early Childhood Education

Expert testimony anchored the Commission's perspective, informing these guiding principles to provide a framework for the recommendations.

1. **Critical.** Quality interactions in the early years are **critical** to the development of children's intellectual, physical, and mental health, and matter for a lifetime. **Louisiana's future is tied to a strong start for children.**
2. **Cost-Effective.** High-quality early care and education that begins at birth must be a long-term, stable investment because it **reduces future spending and yields results in school and well into adulthood.**
3. **Accessible.** Families who want and need quality care for young children have limited choices. **Creating more options for children birth through four is essential to supporting Louisiana's families who want to work.**
4. **State Supported, Locally Led.** Common measures of success provide the framework for Louisiana's nationally-recognized, unified system of publicly-funded early childhood providers. The quality of programs and opportunities for access are improving. With a formal structure and increased authority, **local leaders can respond to the needs of families in their communities by securing investments to drive improvements and expand service options** for Louisiana's youngest learners.
5. **Valuable.** Early learning **providers and teachers contribute an essential community service** that supports Louisiana's workforce. The current economics of the child care sector make efforts to build and sustain quality challenging and inefficient.

Appendix C: Detailed Budget of Legislative Recommendation- Funding LA B to 3

| Outcome | Output | Initial State Investment | Total Funding | Rationale |
|----------------------------|------------------------------------------------------------------------------------------------------------------------|--------------------------|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Child care access | Expand access to 114,000 additional children, ages birth to three. | \$78.1 M | \$771 M | <p>B-3 cohort in-need of care and unserved: 92,000</p> <p>Cost of 92,000 seats at 75th Percentile Market Rate: Infants: \$8,250 Toddlers: \$7,920 Threes: \$7,656 Total: 737M Average per child cost: \$7994.88</p> <p>In initial investment, cost to fund 5520 children awaiting seats (authorized and waitlist): 44.1M In other years, cost to add 9,630 children each year: 77M</p> <p>Cost to increase funded seats from minimally-adequate rate: Infants and Toddlers: \$5,940 Threes: \$5,676 Total: 30M</p> <p>Cost to continue expiring grant: 800 seats at the LA 4 rate (\$4580) Total: 4M</p> |
| Quality child care | Support quality, measurement, professional development and coordination for expanded service providers and classrooms. | \$6.7 M | \$67 M | <p>Costs for infrastructure that support quality including:</p> <ul style="list-style-type: none"> • Community network infrastructure • Observations of quality • Professional development, training, and job-embedded coaching • Mental Health coaching • Scholarships for required teacher credentials • Curriculum and other resources |
| Supporting families | Increase voluntary, | \$1 M | \$1 M | The commission will expand resources like: |

| | | | | |
|-------------------------|----------------------------------------------------|-----------------|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | evidence-based resources and supports for parents. | | | <ul style="list-style-type: none"> • Home visitation • Mental health consultation • Parenting tools for healthy development |
| Total Allocation | | \$85.8 M | \$839 M | |

Unofficial DRAFT

Appendix D: Resources on the Importance of Early Childhood on Brain Development

Harvard University Center on the Developing Child:

<http://developingchild.harvard.edu/>

The Science of Early Childhood Development (Harvard) :

[http://developingchild.harvard.edu/resources/reports_and_working_papers/science of
_early childhood development/](http://developingchild.harvard.edu/resources/reports_and_working_papers/science_of_early_childhood_development/)

30 Million Word Gap:

<http://centerforeducation.rice.edu/slc/LS/30MillionWordGap.html>

From Neurons to Neighborhoods:

http://www.nap.edu/catalog.php?record_id=9824

Meaningful Differences in the Everyday Experiences of Young American Children:

http://www.strategiesforchildren.org/eea/6research_summaries/05_MeaningfulDifferences.pdf

Appendix E: The Economic Impact of Investing in Early Care and Education

The Heckman Equation: <http://heckmanequation.org>

Federal Reserve Leaders on the Economic Value of High-Quality Early Childhood Education:
http://www.readynation.org/uploads/db_files/FRB%20Support%20of%20ECE71.pdf

The Case for Investing in Disadvantaged Children:
<http://www.heckmanequation.org/content/resource/case-investing-disadvantaged-young-children>

The Rate of Return to the High/Scope Perry Preschool Program:
<http://www.nber.org/papers/w15471.pdf>

Skill Formation and the Economics of Investing in Disadvantaged Children:
http://jenni.uchicago.edu/papers/Heckman_Science_v312_2006.pdf

Why Quality Childcare Matters: <http://childcaretoolkit.wordpress.com/why-quality-child-care-matters>

ReadyNation: <http://www.readynation.org/commissioned-research>

Prioritizing Our Future: How Cities and States Dedicate Funds for Early Care and Education
Appendix A

State Dedicated Public Funding Streams for Early Care and Education

| Funding Mechanism | State (Year Est.) | Source of Funding Stream ¹ | Aim of Funding Stream | Amount of Funding ² |
|---------------------------------------------|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
| Tobacco Taxes | Arizona (2006) | In 2006, voters approved Proposition 203 , or the Arizona Early Childhood Development and Health Initiative, to establish a dedicated tax on tobacco products (at a varying rate per item, 80 cents per pack of cigarettes), separate from other tobacco taxes and dedicated to First Things First Arizona. | First Things First Arizona contributes funding for pre-K and child care quality improvement and scholarships, family strengthening, preventative health care, and system coordination to the Arizona early childhood system. ⁱ | \$143.3 million (FY18) |
| | California (1998) | In 1998, voters passed Proposition 10 , or the Children and Families Act of 1998, which levied an additional tax on cigarettes and other tobacco products dedicated to First 5 California. | First 5 California provides system-building for services for Californians from birth to age 5 as well as parenting education, child health and wellness, early child care and education, and family support services. ⁱⁱ | \$358.3 million ⁱⁱⁱ (FY18) |
| | Missouri (2013) | Funding for the Missouri Early Childhood Development, Education and Care Fund (ECDECF) originally came from riverboat gaming fees, which also funded the Missouri Preschool Project. ^{iv} In 2013, however, HB1731 simultaneously reallocated the dedicated funding and replaced it with tobacco master settlement dollars. | The ECDECF provides funding for capital and ongoing costs associated with start-up of child care or pre-K programs and “certificates” (subsidies) for parents under 185% of the federal poverty level, to be used for child development, education, and care. Specifically, the fund supports the Missouri Preschool Project (MPP) in serving 3- and 4-year-olds in preschool and child care, the Parents as Teachers program, and First Steps . | \$35 million annually |
| | Kansas (1999) | Tobacco master settlement funds for Kansas are deposited into the Kansas Endowment for Youth (KEY) trust fund, which must transfer at least 102.5% of the amount transferred the previous year to the Children’s Initiatives Fund (CIF), as well as a legislatively determined portion of the fund’s accrued balance. ^v | Dollars from the CIF are the main funding source of the Kansas Children’s Cabinet , which allocates the tobacco settlement dollars dedicated to children in Kansas. ^{vi} The cabinet spends this funding primarily on services for prenatal to age 5 (via the early childhood block grant, healthy start home visitor, Kansas preschool program, etc.) and prenatal to age 12 (child care assistance). ^{vi} | Approx. \$40 million (FY17) |
| Tobacco Master Settlement Agreement Dollars | Connecticut (2014) | An act of the state legislature in 2014 allocated \$10 million per year from the tobacco master settlement and \$10 million per year from state bonds to the Connecticut Smart Start Program , through 2024. | Local and regional boards of education in Connecticut can be reimbursed for capital or operating expenses incurred while expanding or creating a new pre-K program or receive competitive grants for pre-K expansion. | \$10 million (annually, FY14 – 24) |
| | Kentucky (2000) | Kentucky earmarked 25% of its portion of the tobacco master settlement for early childhood development. While the percentage dedicated to KIDS (Kentucky Invests in Developing Success) NOW has remained constant, the number of dollars in the tobacco fund has diminished over time, reducing KIDS NOW’s dedicated funding. ^{viii} | The KIDS NOW initiative was established by House Bill 706 in 2000 along with the dedication of a percentage of tobacco settlement dollars, and is now housed in the Governor’s Office of Early Childhood. KIDS NOW has used tobacco settlement funds to create a voluntary quality rating and improvement system for child care centers, provide child care subsidies, provide home visiting services, etc. | Approx. \$23.5 million (FY17) ^x |

¹ Only includes dedicated funding streams, which cannot be reallocated or reduced via the traditional budget process.

² From dedicated source only.

State Dedicated Public Funding Streams for Early Care and Education

| Funding Mechanism | State (Year Est.) | Source of Funding Stream | Aim of Funding Stream | Amount of Funding |
|------------------------|---------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| Lottery Dollars | Georgia (1993) | The Georgia state lottery provides over \$1 billion (or 25% of annual revenue) to the Lottery for Education Account ^{xv} as per the Georgia Lottery for Education Act. This account is used to fund both the HOPE scholarship program and the Georgia pre-K program. | Georgia's state-funded pre-K program – Georgia Bright from the Start – is the recipient of state lottery funds, which are used to provide universal pre-K for 4-year-olds in Georgia. ^{xvi} This made Georgia the nation's first to offer state-funded universal pre-K (though demand for slots still outweighs supply). | \$358 million (2017) ^{xviii} |
| | Tennessee (2005) ^{xiv} | In 2005, the legislature passed the Voluntary Pre-Kindergarten Act, which levies \$25 million of excess lottery taxes per year (in addition to any other funding levied for Voluntary Pre-Kindergarten). ^{xv} | The Voluntary Pre-Kindergarten program provides quality pre-K programs for 4-year-olds. ^{xvi} | \$25 million annually |
| Land Trust Fund | Nebraska (2006) | In 2006, voters amended the state constitution to include early childhood in the range of programs that qualified for "support of the common schools" from the Nebraska Educational Lands and Trust Fund. LB 1256 then dedicated \$40 million annually of the income generated by the land trust for the new Nebraska Early Childhood Education Endowment (also known as the Sixpence Early Learning Fund). | The Sixpence Early Learning Fund supports high-quality early care and learning opportunities that help parents guide the healthy development of their young children. ^{xvii} Grants from Sixpence support a broad range of services for children ages 0-3, including child care centers and home-based family services. Programs supported by Sixpence must match each dollar they receive from the early learning fund with local resources. | \$40 million annually |
| Sales Tax | South Carolina (1984) | The Education Improvement Act Child Development Program (EIADCP) is funded by a one-cent sales tax and is distributed via formula to school districts with a qualifying percentage of students who demonstrate financial or special education need. | EIADCP funds half-day pre-K slots through public school programs known as "4K programs." These programs serve 4-year-olds who qualify as "most at-risk" in accordance with the county's need and capacity. | \$15.5 million (FY17) ^{xviii} |
| School Funding Formula | Maine, Oklahoma, Vermont, West Virginia, Wisconsin, the District of Columbia, Texas, Colorado, Iowa, Kentucky | Nine states and DC fund pre-K programs through the state's school funding/education finance formula. The majority of the funding for these formulas comes from the general fund, though funding for pre-K from the state formula in North Carolina is supported in part by Education Lottery dollars. | All of the funding allocated to early childhood from school funding formulas is used to support pre-K programs, and resources land primarily in local education agencies (LEAs). These pre-K programs vary dramatically in their target population and eligibility (from all children with disabilities to 4-year-olds below certain income levels to all 4-year-olds). They also vary in their requirements for receiving funds: some states require a local match while others require highly credentialed teachers to receive funding. Additionally, most of the states that use this funding mechanism are unable to meet demonstrated need and have long waiting lists or caps on enrollment. ^{xix} | Ranges from \$19 million in Maine to nearly \$1 billion in Texas (total, not per student) ^{xx} |

State Dedicated Public Funding Streams for Early Care and Education

| Funding Mechanism | State (Year Est.) | Source of Funding Stream | Aim of Funding Stream | Amount of Funding |
|-------------------|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|
| | Louisiana (2008) | The Louisiana School Readiness Tax Credits are five refundable tax credits for a variety of child care-related expenses or activities. In some cases, the credits provide incentives for spending on quality early care and education and act as a match to draw down federal funding, and in others they reward quality and continued education/certification for providers and teachers. ^{xvi} | Activities and spending eligible for the tax credits include: spending on quality child care attendance for children under age 6; serving foster children or children participating in the Child Care Assistance Program (as a provider); working as an employee in a quality child care center; making donations to resource and referral agencies; and business spending on capital expenses, supporting employees, or slots. | \$17 million (FY16) |
| | Oregon (2003) | The Oregon Child Care Contribution Tax Credit provides a 50-cent state tax credit (down from 75 cents before 2015) for every dollar donated to the Child Care Contribution Tax Credit Program/Child Care Fund. ^{xvii} Contributions can be made either in cash or by stock, by businesses or by individuals. The only cap on funding is a \$500,000 maximum credit annually. | The Office of Child Care/Child Care Fund in the Early Learning Division of the Oregon Department of Education distributes funds to community agencies for the purpose of improving quality and affordability of child care in Oregon, with a specific focus placed on supporting professional development and bolstering provider wages. ^{xviii} | Varies based on amount contributed, \$991,800 in credit available as of September, 2018 ^{xix} |
| Tax Credits | Colorado (2004) | The Colorado Child Care Tax Credit allows citizens to receive an income tax credit of 50% of a qualifying donation, up to \$100,000 annually. This tax credit has been and can be suspended when Colorado's GDP drops by 6% or greater. ^{xv} | Qualifying donations must be made to licensed child care facilities and can be made for a variety of purposes, including to provide financial assistance with tuition for families, to train child care providers, to provide referral services, and to establish or operate a child care center, among other purposes. | \$25 million (2016) ^{xxi} |
| | Pennsylvania (2001) | Businesses subject to certain taxes in Pennsylvania (corporate net income tax, malt beverage tax, etc.) can receive an Earned Income Tax Credit/Educational Improvement Tax Credit (EITC) for donations to an Educational Improvement Organization, Scholarship Organization, or Pre-Kindergarten Scholarship Organization (PKSO). In the case of donations to PKSO's, businesses receive a 100% tax credit on donations up to \$10,000 annually and 90% on donations up to \$200,000 annually. ^{xxvii} | Non-profit Pre-Kindergarten Scholarship Organizations must use 80% of EITC-eligible donations for a Pre-Kindergarten Scholarship Program. These programs must use funds to offset school-related fees or to provide tuition to students ages 3 to 6 below set income levels (with an expanded allowable income range for children with disabilities) for pre-kindergarten programs run by a qualifying public or nonpublic school. ^{xxviii} | EITC reimbursement is capped at \$100 million (potential increase in FY19) ^{xxix} |

ⁱ https://www.firstthingsfirst.org/what-we-do/investments/?utm_source=GM_VT
ⁱⁱ <http://first5association.org/about-first-5/overview-of-proposition-10/>
ⁱⁱⁱ <http://www.ebudget.ca.gov/2017-18/pdf/GovernorsBudget/4000/4250FCS.pdf>
^{iv} https://www.pewtrusts.org/-/media/Legacy/uploadefiles/pcs_assets/2008/pewpkfundingthefuturefeb2008.pdf

State Dedicated Public Funding Streams for Early Care and Education

- v <http://www.kleagresearch.org/KLRD-web/Publications/HealthCare/TobaccoSettlement-Memo.pdf>
- vi <http://kschildrencabinet.org/>
- vii <https://www.kyforward.com/early-childhood-development-programs-continue-to-benefit-from-kentucky-tobacco-settlement/>
- ix <https://kidsnow.ky.gov/Pages/index.aspx>
- x <https://www.tobaccofreekids.org/assets/factsheets/0365.pdf>
- xi <https://www.galottery.com/en-us/benefiting-georgia/where-the-money-goes.html>
- xii <http://dec.al.ga.gov/>
- xiii <http://www.dec.al.ga.gov/documents/attachments/GaPreKHistory.pdf>
- xiv <https://www.tn.gov/education/early-learning/voluntary-pre-k.html>
- xv https://comptroller.tn.gov/content/dam/cof/orea/documents/orea-reports-2009/2009_OREA_TNPreKHistory.pdf
- xvi <https://www.tn.gov/education/early-learning/voluntary-pre-k.html>
- xvii <https://www.sinaasongofisixpence.org/>
- xviii <https://www.ecs.org/wp-content/uploads/State-Pre-K-Funding-2016-17-Fiscal-Year-Trends-and-opportunities-1.pdf>
- xix https://www.pewtrusts.org/-/media/legacy/uploadedfiles/pcs_assets/2008/pewprkfundingthefuturefeb2008.pdf
- xx <https://www.ecs.org/wp-content/uploads/State-Pre-K-Funding-2016-17-Fiscal-Year-Trends-and-opportunities-1.pdf>
- xxi <http://revenue.louisiana.gov/individualincomeTax/SchoolReadinessTaxCredit/>
- xxii <https://oregonearlylearning.com/administration/tax-credit/>
- xxiii https://secure.sos.state.or.us/oand/displayDivisionRules.action;JSESSIONID_OARD=GeIOTXCS1swpB5RK-1pdtvNv2EqvN_mDZTKLleD4ufoBvam1143575988?selectedDivision=1917
- xxiv <http://library.state.or.us/repository/2013/201306141140185/index.pdf>
- xxv <https://oregonearlylearning.com/administration/tax-credit/#overview>
- xxvi <https://www.colorado.gov/pacific/sites/default/files/Incomee35.pdf>
- xxvii https://www.colorado.gov/pacific/sites/default/files/2018_Annual_Report.pdf
- xxviii <https://dced.na.gov/programs/educational-improvement-tax-credit-program-eltc/>
- xxix <https://dced.na.gov/download/eltc-pre-k-organization-guidelines/?wpdmdl=84183>
- xxx <http://www.cbbl.com/article/20180627/CPB101180629911/educational-taxcredit-program-to-expand>

Local Dedicated Public Funding Streams for Early Care and Education

| Funding Mechanism | Locality (Year Est.) | Source of Funding Stream ¹ | Aim of Funding Stream | Amount of Funding ² |
|-------------------|--------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|
| Sales Tax | City of Aspen & Pitkin County, CO (1990) | The City of Aspen and Pitkin County levy a 0.45% sales tax dedicated to affordable housing and child care. Now valid until 2038, the tax increase was originally passed in 1990 and ordinances renewing the tax have been passed three times since. ⁱ | The funds from the sales tax dedicated to early childhood support a broad range of child care-related services. Kids First , a department of the City of Aspen, provides grants to child care providers for professional development and quality improvement and provides child care subsidies to families with income up to 500% of the federal poverty level. ⁱⁱ | \$1.3 million (2014) |
| | Denver, CO (2006) | In 2014, voters in the City and County of Denver reauthorized a dedicated 0.15% sales tax (originally levied in 2006) to support the Denver Preschool Program (DPP) through 2026. | The Denver Preschool Program is an independent non-profit that contracts with the City and County of Denver to administer funding from the dedicated sales tax. DPP uses 80% of its funding to provide tuition credits and quality improvement for preschool and spends its additional dollars on community outreach and administrative costs (limited to 7%). ⁱⁱⁱ | \$106 million annually |
| | San Antonio, TX (2012) ^{iv} | In November 2012, voters passed a referendum placed on the ballot by Mayor Julian Castro to increase the local sales tax by 1/8 th of a cent to support Pre-K 4 SA. | Pre-K 4 SA is a department of the San Antonio city government that administers funding for a voluntary, high-quality, full-day preschool program for 4-year-olds. With funding from the dedicated sales tax, Pre-K 4 SA created four city-operated pre-K centers and, beginning in 2016, has funded slots in additional settings (community programs, parochial programs, schools, etc.). ^v | \$36.5 million (2015) |
| Property Tax | Portland, OR (2002) | Originally enacted in 2002, the Portland Children's Levy property tax was renewed by 74% of voters in 2013 and 83% of voters in May 2018. Currently, the millage rate of the levy is 0.40 mills (\$0.40 per \$1,000 of assessed property value). ^{vi} | The Portland Children's Levy is dedicated to a broad range of child and family services, including child abuse prevention and intervention, after school, summer, and mentoring programs, foster care and hunger relief support, and early childhood programs. ^{vii} Part of the revenue from the Portland Children's Levy is invested in an effort to bolster child care affordability and quality. | \$24 million annually (across program areas) |
| | Seattle ³ , WA (2014) ^{viii} | In 2014, 67% of voters passed an ordinance to levy 11 cents of property tax per \$1,000 of assessed value for four years. | The Seattle Preschool Program (SPP) aims to provide free access to high-quality preschool programs for all 3- and 4-year-olds from families below 300% of the federal poverty level and access on a sliding tuition scale for those above that income level. ^{ix} The Preschool Levy Oversight Body and the City of Seattle's Department of Education and Early Learning contract with schools to provide the SPP. | \$58 million annually |

¹ Only includes dedicated funding streams, which cannot be reallocated or reduced via the traditional budget process.

² From dedicated source only.

³ Seattle also levies a sweetened beverage tax, which in 2018 provided more than \$3 million for early care and learning. However, the amount of soda tax revenue dedicated to early care and learning is subject to the budget process – it is not dedicated solely to early care/learning or education/children's services in general. Additionally, it funds a **Child Care Assistance Program** via the general fund. New York City also provides pre-K and child care funding support through its general fund using primarily state dollars after Mayor Bill de Blasio's proposed (half) millionaire tax was rejected at the state level.

Local Dedicated Public Funding Streams for Early Care and Education

| Funding Mechanism | Locality (Year Est.) | Source of Funding Stream | Aim of Funding Stream | Amount of Funding |
|----------------------|----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|
| Property Tax (cont.) | King County, WA (2015) | In 2015, voters approved the initiative Best Starts for Kids King County, which levies a 0.12325 mill property tax for six years, beginning in 2015. | King County initiative Best Starts for Kids provides comprehensive child development services, including a focus on prenatal to age 5 strategies, such as home-based services, connection to health services, training for child care providers on trauma-informed care, and developmental screenings. ^x | \$35 million (50% of the total levy) ^{vi} |
| | Cincinnati, OH (2016) | In 2016, voters approved a referendum to levy an emergency school millage for Cincinnati Public Schools (CPS) that increases property taxes by 7.93 mills for five years. ^{xii} | Just under one-third of the emergency school millage is dedicated to universal quality preschool access expansion. Cincinnati Preschool Promise (CPS) administers funding in the form of tuition assistance for pre-K slots in both community provider and CPS classrooms. ^{xiii} United Way of Greater Cincinnati oversees administration of the funds in partnership with CPS and under strategic direction of a board of managers. | \$15 million annually |
| | San Miguel County, CO (2017) | In November 2017, 63% of voters passed Ballot Issue 1-A, which levied a property tax of 0.75 mills (75 cents for every \$1,000 of assessed property value) for early childhood. | Bright Futures – San Miguel County's Early Childhood Advisory Panel – administers this funding via RFP process in the areas of expanding or renovating early childhood facilities, increasing quality programming, and initiatives to educate parents. ^{xiv} Eventually the county hopes to supplement the salaries of the early childhood workforce and provide child care vouchers. | \$612,000 annually |
| | Kent County, MI (2018) | In November 2018, 56.7% ^{xv} of voters passed the Ready by 5! Proposal, which included a 0.25 mill property tax for the next six years. ^{xvi} | The Ready by 5! Proposal specified that funds from this millage will be dedicated to community-based early childhood services and supports aimed at increasing early identification and participation in prevention and early intervention services. ^{xvii} An independent non-profit will oversee and administer funding, supported by an independent allocation committee. | \$5.7 million annually |
| Parcel Tax | Oakland, CA (2018) ⁴ | In November 2018, 62.4% of voters approved a charter amendment to establish a 30-year parcel tax – a flat fee on units of real estate that is often used to fund schools in California. ^{xviii} | The Early Education Fund will receive 62% of funding to support expanded early child care and education access, quality, and equity, while the remaining dollars will go to the Oakland Promise Fund, which supports secondary education, and the Oversight Accountability and Evaluation Fund. ^{xx} | Estimated \$15.5 million for ECE annually |
| PILOT Recapture | Memphis, TN (2018) ^{xx} | In May 2018, Mayor Jim Strickland signed a pair of ordinances that dedicated one cent of property tax and up to \$60 million of revenue from expired PILOT agreements . ^{xxi} PILOT (pay in lieu of taxes) is a tax incentive that reduces the amount of property tax paid by a company for several years in exchange for bringing a theoretically economy-boosting business to a region. | Funds are dedicated to closing the gap between current access levels and Memphis's goal of reaching universal pre-kindergarten by 2022. Cradle-to-career partnership organization Seeding Success will oversee the administration of these funds. ^{xxii} | \$6.6 million annually |

⁴ Though the final tally was below the 66.67% supermajority required to pass special purpose taxes in California, the City of Oakland certified the tax anyway, which will be collected and placed in escrow pending litigation.

Prioritizing Our Future: How Cities and States Dedicate Funds for Early Care and Education
Appendix B

Local Dedicated Public Funding Streams for Early Care and Education

| Funding Mechanism | Locality (Year Est.) | Source of Funding Stream | Aim of Funding Stream | Amount of Funding |
|----------------------------|---------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|
| Commercial Real Estate Tax | San Francisco, CA (2018) ⁵ | In June 2018, 50.87% of voters approved the Early Care and Education Commercial Rent Tax Ordinance, which levies an additional tax on commercial real estate for landlords with over \$1 million annually in gross receipts. The tax rate is an additional 1% on leases for warehouse space and 3.5% on other commercial properties. ^{xxii} | Most of the revenue generated by this tax (85%) will be used to fund child care and early childhood education for low-income families; increase compensation for child care and early education providers; and support services that promote physical, emotional, and cognitive development for children ages 0-5. All revenue will be deposited into the Babies and Families First Fund. ^{xxiv} | Estimated \$124 million (FY19) |
| Special Taxing Districts | Florida Children's Services Councils | Florida's Children's Services Councils (CSCs) are special taxing districts that levy property tax dedicated to child- and family-serving organizations. CSCs operate as independent taxing authorities, ⁶ with both hired staff and appointed members, and have sole discretion in determining how to administer property tax revenue for services. Voters established the first CSC as a "juvenile welfare board" in Pinellas County in 1946, and in 1986, Florida Statute 125.901 allowed for the creation of a CSC in any county of Florida via voter referendum. ^{xxv} Eight independent CSCs now levy dedicated property tax (at varying millage rates) and provide services that cover 44% of Florida's population between the ages of 0-19. | While different CSCs devote different amounts of funding to early childhood through different programs (e.g., Miami-Dade's Thrive by Five and school readiness programs in Pinellas and Okaloosa), some funds dedicate considerable resources to early childhood: <ul style="list-style-type: none"> • The Children's Services Council of Broward County (est. 2000) dedicates approximately 10% of its total millage to early childhood services, including subsidies for child care slots, supports for early literacy, maternal and infant health programs, and more.^{xxvi} • The Children's Services Council of Palm Beach (\$116.8 million in FY18) is dedicated to prevention and early intervention, including maternal and infant health and developmental screening, parent skill-building, and high-quality child care.^{xxvii} | Varies |
| Budget Set-Aside | San Francisco, CA (1991) | In 1991, voters approved a charter amendment that set aside 4% of San Francisco's property tax revenue for a Children and Youth Fund. This dedicated budget set-aside was renewed in 2000 and 2014 and will be back on the ballot for reauthorization next in 2039. ^{xxviii} | Resources from the Children and Youth Fund are allocated to a variety of child and youth services at the discretion of the San Francisco Department of Children, Youth & Their Families . ^{xxix} Recipients consistently include child care for families with children ages 0-5 and pre-K programs. | \$12 million (FY18 portion specifically for ECE) |
| Sweetened Beverage Tax | Philadelphia, PA (2016) | In 2016, the Philadelphia City Council passed Mayor Jim Kenney's proposal for a sweetened beverage tax of 1.5 cents per ounce on distributors of non-alcoholic beverages that contain sweetener (including drinks that contain artificial sugar substitutes like Stevia). ^{xxx} | The sweetened beverage tax funds parks, community schools, and 2,000 free, quality pre-K slots for children ages 3-4. PHILADELPHIA administers the portion of the sweetened beverage tax funding dedicated to pre-K from within the Office of the Mayor. ^{xxxi} | \$11.3 million approx. (first 12 months) |
| Income Tax | Dayton, OH (2016) | In November 2016, Dayton voters approved Issue 9 – an increase in the city's earnings tax/income tax by 0.25% (from 2.25%) for eight years. ^{xxxi} | Funds from Dayton's dedicated income tax increase flow to Preschool Promise , a non-profit that administers funding under the guidance of a five-member board of directors. ^{xxxi} In 2017-18, Preschool Promise offered one year of sliding-scale tuition assistance to all 4-year-olds in Dayton (regardless of family income). It also supports the expansion of available high-quality preschool slots through provider coaching and professional development. | \$4.3 million (FY18) ^{xxxi} |

⁵ Pending litigation as of January 2019.

⁶ Some Florida Children's Services Councils are dependent and do not have taxing authority. Therefore, their funding is not "dedicated." Those are not included here.

Local Dedicated Public Funding Streams for Early Care and Education

- ⁱ <https://www.cityofaspen.com/331/Kids-First-Programs>
- ⁱⁱ <https://www.cityofaspen.com/235/Kids-First>
- ⁱⁱⁱ <https://ddb.org/about-us/fags>
- ^{iv} <http://financintools.buildthefoundation.org/project/sanantonio/>
- ^v <https://www.sanantonio.gov/Pre-K-4-San-Antonio/about>
- ^{vi} [https://ballotpedia.org/Portland_Oregon_Measure_26-197_Children%27s_Programs_Property_Tax_\(May_2018\)](https://ballotpedia.org/Portland_Oregon_Measure_26-197_Children%27s_Programs_Property_Tax_(May_2018))
- ^{vii} <http://www.portlandchildrenslevy.org/program-areas>
- ^{viii} http://www.seattle.gov/Documents/Departments/OFE/AboutTheLevy/EarlyLearning/SPP_ProgramPlan2015-16_Final.pdf
- ^{ix} <https://earlylearning.microsoft.com/parentportal/>
- ^x <https://www.kingcounty.gov/~media/depts/community-human-services/best-starts-kids/documents/Best-Starts-for-Kids-Overview.aspx?la=en>
- ^{xi} <https://www.kingcounty.gov/~media/depts/community-human-services/initiatives/best-starts-for-kids.aspx>; <https://www.kingcounty.gov/~media/elected/execute/constantine/initiatives/best-starts-for-kids/documents/BSK-Plan-final.aspx?la=en>
- ^{xii} <http://financintools.buildthefoundation.org/project/cincinnati-oh/>; <https://www.cincinnatiusa.org/component/content/article/2-uncategorised/97-160829-cps-preschool-promise-levy.html>
- ^{xiii} <http://www.cincy-promise.org/>
- ^{xiv} <https://www.brightfutureforchildren.org/>
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