



**Early Childhood Care and Education Advisory Council**  
December 7, 2015

# Consultation on Early Childhood Funding Report

# Early Childhood Funding

## Requirements of HCR 174 (2015)

**Resolution requests that the State Board compile a report on potential funding sources and the implementation of the funding model**

*To urge and request the State Board of Elementary and Secondary Education, in consultation with stakeholders which include but are not limited to the Advisory Council on Early Care and Education, to identify sources of state and federal funds available in Louisiana for early childhood care and education, as well as additional potential funding sources used by other states for such purpose, and submit to the House Committee on Education and the Senate Committee on Education a written proposal of funding mechanisms and a corresponding strategy for implementation of the eighty million dollar funding model developed in response to House Concurrent Resolution No. 61 of the 2014 Regular Session of the Legislature.*

# Achieving Kindergarten Readiness

## Background on HCR 61(2014) and Early Childhood Funding Model

HCR 61 called on the Board to develop an Early Childhood Funding Model

Fully implementing Act 3 requires addressing these challenges, as outlined in HCR 61(2014):

- 1. UPGRADING QUALITY: Child care funding is too low to ensure adequate teaching**
  - *Funding only supports a minimum-wage teacher with little or no teaching preparation*
  - *Child care assistance (CCAP) provides only \$1,750 per year for most children*
  - *Low-income families are required to pay more than \$3,000 each year to supplement the CCAP funding, creating an inequity for families and providers*
- 2. CREATING EQUITY: State investment in PreK is less than the state investment in kindergarten**
  - *The state invests \$5,185 per child, per year in kindergarten but invests \$4,580 per child in LA 4 and NSECD*
  - *Even the \$5,185 is not expected to fully cover the cost of a PreK classroom*
- 3. INCREASING ACCESS: There are not enough PreK seats for all at-risk families who want one**
  - *There are families of 5,000 at-risk four-year-olds that cannot access PreK because funding is unavailable, and will likely arrive at kindergarten already behind*

# Achieving Act 3

## Early Childhood Funding Model

### Funding Model identified multiple kindergarten readiness investment options

Objective	Benefit to Families	Investment
<b>1. Upgrade Quality:</b> Provide funding for a well-prepared teacher in child care	Up to 12,000 birth to four-year-olds will have access to a CDA-educated teacher, improving child care quality	Up to \$43 million
<b>2. Create Equity:</b> Provide funding that creates equity between PreK and K	Up to 17,500 four-year-olds funded at equitable level to kindergarten	Up to \$11 million
<b>3. Increase Access:</b> Provide a PreK slot for all families who choose one	Families of up to 5,000 at-risk four-year-olds can choose PreK if they want it, serving all at-risk four-year-olds	Up to \$26 million

Need	Investment (in millions)	New Per Child Funding for Child Care	Infants	Ones	Twos	Threes	Fours
<b>1. Upgrade Quality</b> Provide funding for a well-prepared teacher in child care for ~12,000 children (Recommendation: \$43M)		Percentage of Minimum Subsidy Achieved					
		Eliminates Family Co-Pay for State Share?					
		Upgrades Quality with Minimum Rates?					
<b>2. Create Equity: LA 4/NSECD</b> Provide state funding that creates equity between PreK and K for ~17,500 children (Recommendation: \$11M)		New Per Child Funding for LA 4 and NSECD					
		Percentage of Equitable Rate Achieved					
		Achieves Equity?					four-year-olds only
<b>3. Increase Access</b> Provide a PreK seat for all at-risk families who choose one, serving ~5,000 more children (Recommendation: \$26M)		New PreK Seats Created in LA 4/NSECD					
		Percentage Reduction in Access Gap					four-year-olds only
		Serves All At-Risk Four-Year-Olds?					
<b>TOTAL INVESTMENT</b>							
<b>OTHER INVESTMENT OPTIONS</b>							
Enter an "X" in either the "Yes" or "No" box.							
<b>Create Equity: 8(g) (optional)</b> Use State General Funds to fund PreK and create equity between PreK and K for ~2,500 children		Do you want to move all children served in PreK through 8(g) to LA 4 or NSECD? (allows LEAs to use 8(g) for other needs)	YES	NO			
<b>Increase Access: Younger Ages (optional)</b> Provide a seat for more at-risk families who choose one		# of New Seats to Create (enter number for each age desired)	Infants	Ones	Twos	Threes	Fours
		Investment Needed for New Seats					invest above
Total Investment w/ Options							

Total of Investment Options Up to \$80M



# Identifying Funding Sources and Mechanisms

## Background

Understanding Louisiana's unique early childhood funding landscape is critical

**Early childhood programs depend on multiple sources of federal, state and local funds; most of which are designated for serving at-risk children under age five.**

Here are key context points for early childhood funding in Louisiana:

- 1. *Multiple Sources of Funding:*** Louisiana's early childhood programs depend on many funding sources (up to 10 for four-year-olds) with more than 90% from federal funds
- 2. *Innovative Funding Approaches:*** Louisiana uses two key innovative funding approaches, 1) the school readiness tax credits (SRTC) and 2) the federally-funded PreK grant to support early childhood
- 3. *Supplementing Child Care Funding:*** Louisiana has historically used sources in addition to the specifically-designated Child Care Development Fund (CCDF) to fund child care
- 4. *Recent Advances In Child Care Assistance:*** Louisiana has made key improvements to the child care assistance (CCAP), beginning in early 2016.

# Identifying Funding Sources and Mechanisms

## Guiding Principles

**A shared vision can help unify stakeholders and achieve progress in 2016-2017**

**Here are a potential set of principles to guide the proposal for implementation of the Early Childhood Funding Model:**

- ✓ Funding should be increased in phases rather than all at once
- ✓ A specific yet realistic target for 2016-2017 is needed
- ✓ 2016-2017 target should include funding increases for all three areas of funding model (Upgrading Quality, Creating Equity, Increasing Access)
- ✓ Overall impact should be revenue neutral for the state
- ✓ Strategy should maximize public and private resources including innovative approaches such as tax credits and public-private partnerships