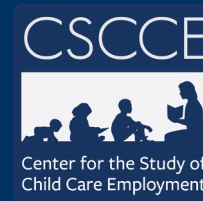

Bold on Early Educator Compensation

Convening #8: Financing
Strategies

June 17, 2022

**Center for the Study of
Child Care Employment**

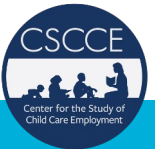
University of California, Berkeley
email@berkeley.edu | cscce.berkeley.edu



Today's Desired Results

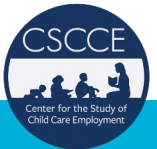
Learning Community will:

- Discuss how to make use of existing funds (e.g., use of fiscal mapping) and strategies for finding new sources of funding for early care and education
- Participants will learn about other states that have tried or successfully implemented state level funding sources for early care and education



Agenda for today

- Icebreaker: share Hooray moments!
- Financing Strategies presentation by Elizabeth Gaines
- Q&A with Elizabeth Gaines
- Small group discussions by role
- Large group report out
- Wrap-up and Next Steps
- Adjourn



HOORAY MOMENT





Financing Strategies, Elizabeth Gaines, Children's Funding Project

Strategic Public Financing

Elizabeth Gaines
for the Bold on Compensation Learning Community
6/17/22



CHILDREN'💰 FUNDING PROJECT



What's the plan?

We've been helping states and communities map out things they can do in the next four years to:

1. support equitable recovery,
2. increase opportunities for children and youth,
3. increase stability and sustainability, and
4. avoid...



Next few months

**Making sense of
federal relief funds**

Next 12 months

**Fiscal mapping and
cost modeling**

1 – 2 years

**Where can new
money come from?**

3 – 4 years

**Generate sustainable
revenue**

Dive deeply into American Rescue Plan Funding in your state and community using CFP's online tool



Flexible Funding for Children and Youth in the American Rescue Plan *Home Page and Menu*

This tool offers a comprehensive picture of American Rescue Plan funding for children and youth across states, tribal areas, counties, cities, towns, school districts, and nonprofit institutions.

On the subsequent pages, you will find allocation data and a growing list of examples of ways localities are using their funds creatively to benefit children. **Click the buttons on the right to navigate directly to the information you need.**

Examples of Child-Centered American Rescue Plan Spending and Uses

Funding Overview for States and Territories

Local and Tribal Fiscal Recovery Funds

Elementary and Secondary School Emergency Relief Fund (ESSER III)

Higher Education Emergency Relief Fund (HEERF III)

Find examples of how communities and states have used ARPA funds to address those priorities



Flexible Funding for Children and Youth in the American Rescue Plan

Home Page and Menu

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Examples of Child-Centered American Rescue Plan Spending and Uses

Funding

Local

Elementary and Secondary

Higher Education



How to Use This Page

States and communities nationwide are using American Rescue Plan funds to support children and youth. Explore all examples in the table to the right.

Use the filters below to search for examples by **state/territory, level of government or type of actor (Recipient Type), funding stream(s), target age group, or program focus area(s).**

Filters

Reset all filters

State/Territory

All

Recipient Type

- ☐ Select all
- ☐ CCDF/CCDBG
- ☐ City
- ☐ County
- ☐ Innovative
- ☐ Other ARPA
- ☐ Other Non-ARPA
- ☐ SLFRF

Examples of Child-Centered American Rescue Plan Spending and Uses

State	Recipient Type	Recipient Name	Federal Funding Stream(s)	Focus Area(s)	Description
AK	Other Entities/Partnerships		SLFRF	Education	local school district. Funds will provide premium pay of \$4.00 per hour to childcare workers in early education departments.
AK	State	Alaska Department of Education and Early Development	ESSER III	K-12, Summer Programs, Learning Recovery, Cultural Education, Youth Employment And Workforce Development	The SEA will use part of its 1% set-aside for summer programs to increase CTE and culturally relevant ed. It will use part of its 5% set-aside for learning recovery competitive grant program to support projects that to give students postsecondary technical credential employable skills. Contracts will also be awarded to develop statewide CTE programs.
AL	County	Shelby County, AL	SLFRF	Nutrition Support	This allotment will allow the Mid-South Food Bank to provide nine million meals to the county's residents.
AL	School District	Hoover City School District	ESSER III	K-12, Learning Recovery, Facilities	The LEA has chosen to invest its learning recovery in summer and after-school programs, hiring additional staff.

Funding Stream(s)

- ☐ Search
- ☐ Select all
- ☐ CCDF/CCDBG
- ☐ CCSG
- ☐ ESSER III
- ☐ Other ARPA
- ☐ Other Non-ARPA
- ☐ SLFRF

Age Group(s)

- ☐ Search
- ☐ Select all
- ☐ Children and Families
- ☐ Early Childhood
- ☐ Early Childhood (Infants and Toddlers)
- ☐ Middle Childhood
- ☐ Young Adult
- ☐ You are here

Focus Area(s)

- ☐ Search
- ☐ Select all
- ☐ *Native populations
- ☐ Affordable Housing
- ☐ After-school Programs
- ☐ Broadband/Other Technology
- ☐ Child Care
- ☐ Child Welfare
- ☐ *Child Welfare

Back to Home Menu

From questions...

1. Current Funding:

How much funding supports our goals right now?

2. True Cost:

How much will it cost to fund our goals in full?

3. New Funding:

How do we fill the gap between current funding and needed funding?


To answers!



Fiscal mapping



**Cost modeling
and estimation**



**Sources of new
money**

Why create a fiscal map?

Understand
current
investments

Align
resources
with goals

Coordinate
supports and
services













Maximize
funding
opportunities

Identify new
areas for
attention,
efficiency and
innovation

NEW EMERGENT REASONS:

- Determine the baseline funding pre COVID-19 budget deficits
- Plan for equitable recovery of funds to enhanced programs and services

FUNDING SOURCES CURRENTLY SUPPORTING THE EARLY CHILDHOOD EDUCATION SYSTEM

	Early Head Start Child care for very low-income families
	Head Start Child care for very low-income families
	NC Pre-K Child care for low-income families
	Child Care Dev. Fund Block Grant Supports quality improvements, TEACH scholarships, Infant Toddler salary supplements
	Local public schools (Title I funds) Supports kindergarten readiness strategies in public schools for low-income families
	Child and Adult Care Food Program (CACFP) Provides facility reimbursement for food costs
	State child care subsidies Partially subsidizes child care for working families (vouchers)
	Developmental day licensed programs Provides child care for children with special needs
	Smart Start Child care subsidies, wage supplements, and grants to child care programs
	County funds Grants for system and child care operational supports
	Gifts & grants from private foundations, corporations, & other donors
	Out-of-pocket tuition

CHILDREN AGES 0-2

CHILDREN AGES 3-5

5,686

THE GAP
Unserved children ages 0-5 who are likely to enroll* in quality child care if given access

*likely saturation rate for children:
ages 0-3 = 64%;
ages 4-5 = 70%

1,146

CHILDREN IN UNLICENSED CARE
Children in 4-hour per day unlicensed child care (paid for out-of-pocket)

4,228

CHILDREN IN LICENSED CHILD CARE
0-5-year-olds currently enrolled in licensed child care, funded by a variety of federal, state and private dollars (see list at left)

3,908

1,778

812

334

1,509

2,719

Filling the Gap

What it would take for the **Asheville-Buncombe** **Preschool Planning Collaborative** to fill the high quality early care and education gap with local funds.

What would it cost to fill the gap?

(i.e. to put 5,686 0-5-year-olds in licensed, quality child care)

NUMBER OF CHILDREN
5,686 unserved, eligible, likely to enroll 0-5-year-olds

\$ COST PER CHILD
\$12,000 for 0-2
\$10,774 for 3-5

\$46.9 MILLION total slot cost for ages 0-2
+ \$19.2 MILLION total slot cost for ages 3-5

= \$66,052,172 total slot funding needed
+ \$25,000/NEW CLASSROOM estimated per classroom start-up cost



CHILDREN'S FUNDING PROJECT

created for the Asheville-Buncombe Preschool Planning Collaborative in February, 2019 www.abppc.org

TRUE COST OF

\$251 million:

True cost of care with recommended staffing structure and salary levels

\$17.5 million:

Estimated parent copay

FY20 Infant
Toddler Subsidy WI
Shares Subsidy
Payments

\$159,50...

\$74-\$100 million: Gap between recent subsidy investment levels and true cost of care for infants and toddlers currently participating in WI Shares.

**COST OF INFANT TODDLER CARE VS
CURRENT SUBSIDIZED INVESTMENT**



High-Level Readiness Required

Revenue Options & Funding Mechanisms

Common

City or County dollars

State dollars

Federal dollars

Local United Way

Local Foundation

National Foundation

Individual Donors

Corporations

Fee Based Services

Emerging

Dedicated public funding (set aside or new tax)

Community Benefit Agreements

Individual or Business Tax credits

Pay for Success

Medicaid reimbursements

Community Reinvestment Act agreements

Profits from publicly held assets

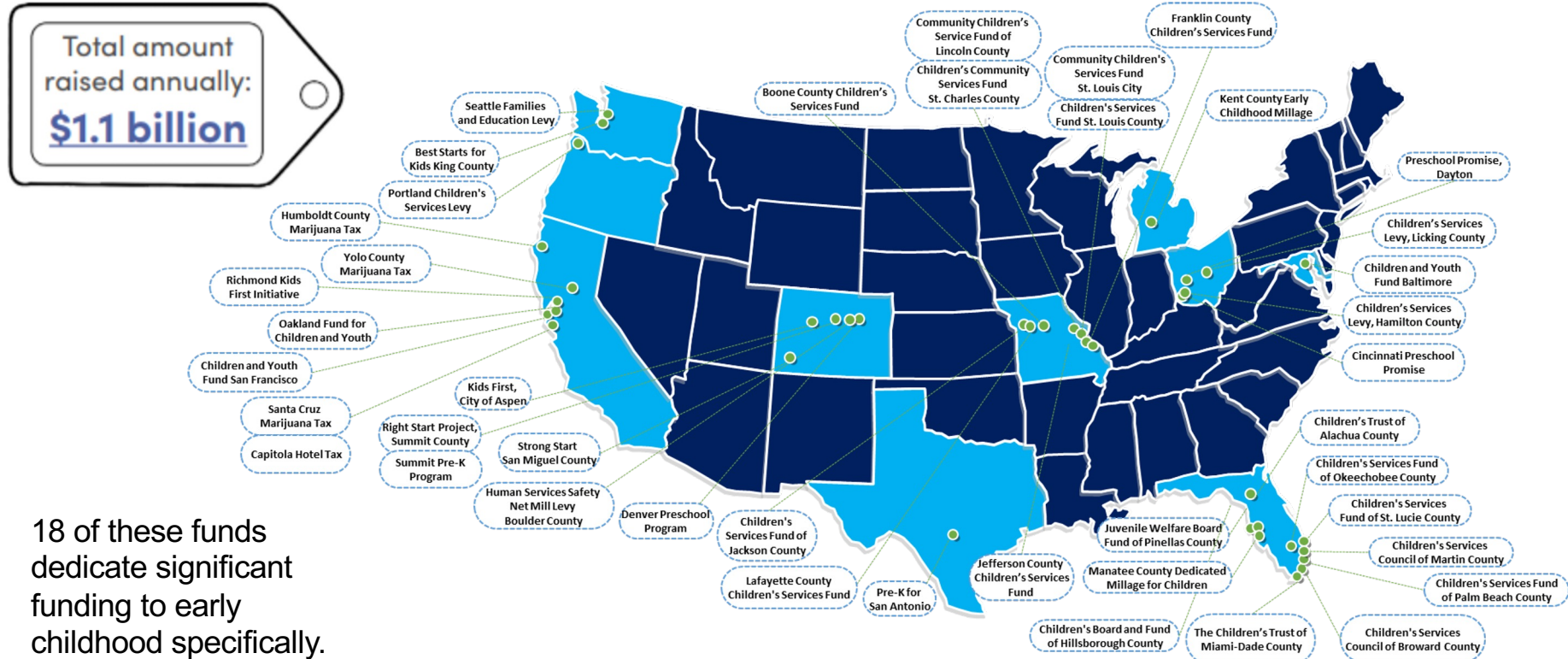
Reforming tax exemptions

PILOT recapture

In kind facilities usage

[READ: Innovative Financing to Expand Services So Children Can Thrive](#)

Voter Approved Children's Funds – the reach



YES FOR NOLA KIDS



- On April 30th, voters in New Orleans successfully passed a new **property tax** that will generate **more than \$21 million annually** for early childhood programs in the city.
- Revenue will fund **more than 1,000 high quality seats for children ages 0 – 3 years** from low-income families.
- Revenue is **aligned with state funding**, allowing the state of LA to contribute matching funds that will create over 2,000 new seats (5x current amount)

- **MARYLAND** - A digital advertising tax went into effect in Maryland this year. The tax applies to revenue collected from digital advertisements displayed within the state and could raise an estimated \$250 million in its first full year for the state's education system.
- **COLORADO** - Passed a ballot measure in 2020 to expand tobacco tax and close vaping tax loophole to fund universal, free preschool for all Colorado children. It is projected to generate \$2 billion for universal pre-k over ten years.
- **NEW MEXICO** - A constitutional amendment to dedicate part of their Land Grant Permanent Fund to make early childhood education a public good like K-12 education.
- **D.C.** - D.C. raised taxes for residents that make more than \$250,000 annually. It is projected this tax will reach \$175 million in 2025. By 2025, this tax will allocate approximately \$75 million for Birth-to-Three.
- **LOUISIANA** - The Louisiana legislature approved sports betting in 2021. 25% of the funds, up to \$20 million, revenue by the state will be allocated to early learning programs.

Current ex: NM Land Grant Permanent Fund Distribution for Early Childhood Education Amendment

- NM Funding for Early Childhood Programs Amendment is on ballot as a legislatively referred constitutional amendment
- Measure allocates 1.25% of Land Grant Permanent Fund (LFPF) to early childhood education (60%) and public education (40%)
- In FY2023, an estimated \$126.9 million would be allocated for early childhood education
- LGPF come from leases & royalties on non-renewable natural resources (oil & gas)



Next few months
**Making sense of
federal relief funds**



Next 12 months
**Fiscal mapping and
cost modeling**



1 – 2 years
**Strategic finance
planning**



3 – 4 years
**Generate sustainable
revenue**

Questions?

Small Group Discussion

Large Group Report Out

Next Steps

- Next Meeting: July 15 - Data Collection and Evaluation
- Fill Out [photo release](#) by Friday, June 24, 2022
- [Homework Survey](#) due Friday, July 1, 2022
- Keep sending us Hooray Moments!

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