COVID RELIEF FUNDING FOR KIDS
+ STRATEGIC FINANCING

NCSL’s Early Childhood Fellows Program
August 18, 2021
CHILDREN’S FUNDING PROJECT

We help communities and states expand equitable opportunities for children and youth through strategic public financing.

Children’s Funding Project is structured to:

• Increase understanding of the policy tools available for strategic financing.
• Strengthen local capacity by providing training, tools, and coaching.
• Showcase and elevate the successes and lessons learned from communities.
• Build momentum for a more pro-active approach to children’s funding.
Part 1: ARPA Funding & Shorter-Term Considerations
FEDERAL COVID-19 RELIEF FUNDING FOR KIDS:
A year in review

“Cradle-to-Career Guide to Federal Relief Funding For Kids During and Beyond COVID-19”
<table>
<thead>
<tr>
<th>Funding Stream/Program</th>
<th>FFCRA</th>
<th>CARES</th>
<th>CRRSAA</th>
<th>ARPA</th>
</tr>
</thead>
<tbody>
<tr>
<td>CORP. FOR NATIONAL AND COMMUNITY SERVICE (CNCS)</td>
<td></td>
<td></td>
<td></td>
<td>$852 million</td>
</tr>
<tr>
<td>COMMUNITY DEVELOPMENT BLOCK GRANTS (CDBG)</td>
<td>$5 billion</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>COMMUNITY SERVICES BLOCK GRANTS (CSBG)</td>
<td>$1 billion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PUBLIC K-12 AND HIGHER EDUCATION</td>
<td></td>
<td>$31 billion</td>
<td>$77 billion</td>
<td>$162 billion</td>
</tr>
<tr>
<td>IDEA PARTS B AND C</td>
<td></td>
<td></td>
<td>$3 billion</td>
<td></td>
</tr>
<tr>
<td>CHILD CARE FUNDING (CCDBG OR CHILD CARE STABILIZATION)</td>
<td>$3.5 billion</td>
<td>$10 billion</td>
<td>$39 billion</td>
<td></td>
</tr>
<tr>
<td>HEAD START</td>
<td></td>
<td>$750 million</td>
<td>$250 million</td>
<td>$1 billion</td>
</tr>
<tr>
<td>HOME VISITING (MIECHV)</td>
<td></td>
<td></td>
<td></td>
<td>$150 million</td>
</tr>
<tr>
<td>CHILD ABUSE PREVENTION AND TREATMENT</td>
<td></td>
<td></td>
<td></td>
<td>$250 million</td>
</tr>
<tr>
<td>TITLE IV-B AND E PROGRAMS</td>
<td></td>
<td>$45 million</td>
<td>$485 million</td>
<td></td>
</tr>
<tr>
<td>FAMILY UNIFICATION PROGRAM VOUCHERS</td>
<td></td>
<td></td>
<td>$20 million</td>
<td></td>
</tr>
<tr>
<td>FAMILY VIOLENCE PREVENTION AND SERVICES</td>
<td></td>
<td></td>
<td>$45 million</td>
<td></td>
</tr>
<tr>
<td>RUNAWAY AND HOMELESS YOUTH ACT</td>
<td></td>
<td></td>
<td></td>
<td>$25 million</td>
</tr>
<tr>
<td>PROJECT AWARE</td>
<td></td>
<td>$50 million</td>
<td>$30 million</td>
<td></td>
</tr>
<tr>
<td>YOUTH SUICIDE PREVENTION</td>
<td></td>
<td></td>
<td>$20 million</td>
<td></td>
</tr>
<tr>
<td>NATIONAL CHILD TRAUMATIC STRESS NETWORK</td>
<td></td>
<td></td>
<td>$10 million</td>
<td>$10 million</td>
</tr>
<tr>
<td>WIC</td>
<td>$500 million</td>
<td></td>
<td></td>
<td>$490 million</td>
</tr>
<tr>
<td>THE EMERGENCY FOOD ASSISTANCE PROGRAM</td>
<td>$400 million</td>
<td>$450 million</td>
<td>$400 million</td>
<td></td>
</tr>
<tr>
<td>SNAP</td>
<td>$15.8 billion</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Examples of Comprehensive Supports for Children & Families in the American Rescue Plan

### Early Care and Education
- **$39 billion** – Child Care Development Flexible Funding/Child Care Stabilization Fund
- **$1 billion** – Head Start
- **$150 million** – Home Visiting

### Education
- **$122.8 billion** – Elementary and Secondary School Emergency Relief Fund (ESSER III)
- **$39.6 billion** – Higher Education Emergency Relief Fund (HEERF III)
- **$3 billion** – IDEA Parts B & C
- **$2.75 billion** – Emergency Assistance to Non-Public Schools
- **$852 million** – Corporation for National and Community Service

### Nutrition
- **$490 million** – Increase funding level for WIC

### Behavioral Health
- **$80 million** – Pediatric Mental Health Care Access
- **$20 million** – Youth Suicide Prevention
- **$10 million** – National Child Traumatic Stress Network

### Other Important Supports
- **$350 billion** – Coronavirus State and Local Fiscal Recovery Funds
- **$21.6 billion** – Emergency Rental Assistance
- **$250 million** – Child Abuse Prevention and Treatment
NEW & SUPPLEMENTAL CHILD CARE FUNDING: From the CARES Act to ARPA

NEW CHILD CARE FUNDING ACROSS COVID-19 RELIEF PACKAGES

- **CARES**
  - Child Care and Development Block Grant: $3.5
  - Child Care Stabilization: $0.8

- **CRRSAA**
  - Child Care and Development Block Grant: $10.0
  - Child Care Stabilization: $0.3

- **ARP**
  - Child Care and Development Block Grant: $15.0
  - Child Care Stabilization: $24

**TOTAL CHILD CARE FUNDING IN ALL COVID-19 PACKAGES**

- $28
- $24

**Total**

- $52
- $52

Legend:
- Child Care and Development Block Grant
- Child Care Stabilization
- Head Start
How much new child care $ is your state receiving?
ARPA CHILD CARE STABILIZATION

90% of Child Care Stabilization grants must go directly to child care providers.

States can use up to 10% of funds for administrative activities, like...

Funding intermediary organizations through contracts or grants to help distribute subgrants or to help child care providers meet their needs.

Supply-building activities: providing start-up resources for child care services, facility improvement grants, business practice training, and improvements to lead agency data systems.

Providing technical assistance and support for child care provider applicants

Publicizing the availability of Child Care Stabilization funds
USING CHILD CARE STABILIZATION FUNDING

States can:
• Implement a wage bonus/supplement program
• Enhance mental health supports for children, families, and providers
• Using the 10% of funding that doesn’t go to providers, states can:
  • Increase provider rates based on quality
  • Develop a family child care network
  • Support pathways to regulation and licensing
USING ARPA’S SUPPLEMENTAL CHILD CARE FUNDING

• See page 9 of BUILD’s “Supporting Prenatal to Three with Federal Relief Dollars” (July 2021) for a comprehensive list of ideas for using CCDBG supplemental funding
NEW & SUPPLEMENTAL CHILD CARE FUNDING: Key timing & milestones

**March 27, 2020**
- CARES Act CCDBG - $3.5 billion

**December 27, 2020**
- CRRSAA CCDBG - $10 billion

**March 11, 2021**
- ARPA CCDBG $15 billion and ARPA Stabilization - $24 billion

**September 30, 2022**
- Obligation deadline for CARES, CRRSAA and ARPA Stabilization

**September 30, 2023**
- Obligation deadline for ARPA CCDBG

**September 30, 2024**
- Spending deadline for ARPA CCDBG
KEY CONSIDERATIONS AND PARTNERSHIPS FOR MAXIMIZING ARPA’s CHILD CARE $

Key Considerations

• How can your state build upon previous efforts funded by CARES Act & CRRSA Child Care $?
• What options does your state or community have to use supplemental funding for a "down payment" on long-term system improvements?

Key Partnerships

• State Lead CCDF agencies
• CCR&Rs
• Local dedicated funds, children’s cabinets, and other youth-focused coordinating bodies
• Shared Services Networks
$122.8 BILLION
(ARPA ESSER III Total)

$800 million for youth homelessness

$122.2 billion for SEAs

$12.2 billion (10% of total allocation) reserved for SEAs

$110 billion (90% of total SEA allocation) disbursed to LEAs
*within 60 days*

$1.2 billion (1% of total) that MUST be used for afterschool

$1.2 billion (1% of total) that MUST be used for summer

$6.1 billion (5% of total) that MUST be used for evidence-based learning recovery

$22 billion (20% of LEA allocation) MUST be used by LEAs for evidence-based learning recovery
  - Comprehensive afterschool programs
  - Summer learning and enrichment programs
  - Extended school day/year programs
  - Programs that address the impact of COVID-19 on low-income students, students experiencing homelessness, and students in foster care

$609.9 million max for admin costs

$87.8 billion that CAN be used by LEAs for other eligible activities

~$4 billion that CAN be used by SEAs for other eligible activities

$1.2 billion (1% of total) that MUST be used for afterschool

$6.1 billion (5% of total) that MUST be used for evidence-based learning recovery

$1.2 billion (1% of total) that MUST be used for summer

$22 billion (20% of LEA allocation) MUST be used by LEAs for evidence-based learning recovery
  - Comprehensive afterschool programs
  - Summer learning and enrichment programs
  - Extended school day/year programs
  - Programs that address the impact of COVID-19 on low-income students, students experiencing homelessness, and students in foster care

$1.2 billion (1% of total) that MUST be used for afterschool

$1.2 billion (1% of total) that MUST be used for summer
**ARPA ESSER III LEARNING RECOVERY $**

**AT THE STATE & SCHOOL DISTRICT LEVELS**

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**Virginia Total ARPA ESSER III:**

$2.1 billion

**Est. Total to Virginia LEAs:**

$1.9 billion

**Est. Total to Virginia Beach City Schools:**

$78.8 million

**Est. 20% for Learning Recovery in Virginia Beach City Schools:**

$15 million

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**Min. 5% for learning loss:**

$105.5 million

**Min. 1% for summer enrichment:**

$21.1 million

**Min. 1% for afterschool programs:**

$21.1 million

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**EXAMPLE: Virginia and Virginia Beach City Schools**

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*Federal allocations to SEAs and SEA allocations to school districts are both distributed like Title I Part A (but not held to same rules)*

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Sources: OESE.ed, HelpKidsRecover.org
How much ESSER $ are your state and school districts receiving?

(TO THE FACT SHEET!)
States can:
• Add slots by improving existing facilities
• Supporting access to care and the availability of early childhood mental health consultants for young children with disabilities under IDEA Parts B and C

See your state’s ESSER plan to learn how your state may be using ESSER funds for ECE!
ARPA ESSER III: Key timing & milestones

MARCH 11, 2021
ARPA SIGNED INTO LAW

DATE VARIES (60 DAYS FROM WHEN AN SEA RECEIVES FUNDS)
DEADLINE FOR SEAs TO ALLOCATE ESSER III FUNDS TO LEAs

MAY 11, 2021
DEADLINE FOR DEPARTMENT OF ED. TO DISBURSE TO STATES

JUNE 7, 2021
DEADLINE FOR SEAs TO SUBMIT ESSER STATE PLANS

SEPTEMBER 30, 2024
DEADLINE TO OBLIGATE ESSER III FUNDS

Time to maximize ESSER III funding for learning recovery through strategic planning, fostering collaborative partnerships, and investment in system quality improvement!
<table>
<thead>
<tr>
<th>Key Considerations</th>
<th>Key Partnerships</th>
</tr>
</thead>
<tbody>
<tr>
<td>How does funding for early childhood figure into your state’s ESSER state plan?</td>
<td>State education agencies</td>
</tr>
<tr>
<td>Do your LEAs have the administrative capacity to manage this infusion of funding?</td>
<td>Local school districts</td>
</tr>
<tr>
<td>If not, can you identify the organization or organizations that are prepared to support LEAs in coordination of funding or coordination of provider recipients?</td>
<td>Community-based afterschool providers</td>
</tr>
</tbody>
</table>

- Collective impact groups
- Families
<table>
<thead>
<tr>
<th>Location</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kent County, MI:</td>
<td>Entrusted $450,000 of its CRF allocation to local nonprofit and Early Childhood Millage administrator First Steps Kent. First Steps Kent used these dollars to buy and distribute easy-to-clean toys and other resources to child care providers across the county.</td>
</tr>
<tr>
<td>City and County of St. Louis, MO:</td>
<td>Both city and county government committed portions of their CRF dollars to support child care providers. In the city they prioritized under resourced neighborhoods and family and home-based care providers.</td>
</tr>
<tr>
<td>Whatcom County, WA:</td>
<td>Whatcom County, the City of Bellingham, and small cities within the county pooled their state-allocated CRF dollars to provide nearly $700,000 in grants to licensed child care providers.</td>
</tr>
<tr>
<td>San Diego County, CA:</td>
<td>Advocates in the San Diego area encouraged local policymakers to direct a portion of the city and county’s federal CRF dollars toward emergency child care. They were ultimately successful and secured $10 million in combined CRF dollars from the city and county.</td>
</tr>
<tr>
<td>Dane County, WI:</td>
<td>Dane County allocated a significant portion of its CRF payment toward child care and homeless assistance. To help child care providers ensure safe and sustainable re-opening plans, the county partnered with Community Coordinated Child Care, Inc. to administer grants to roughly 500 Dane County child care providers.</td>
</tr>
</tbody>
</table>
### ARPA’s Direct Relief for Governments:

State & Local Coronavirus Fiscal Recovery Funds

<table>
<thead>
<tr>
<th>ENTITY</th>
<th>ALLOCATION</th>
<th>ALLOCATION METHOD</th>
</tr>
</thead>
<tbody>
<tr>
<td>States, Territories, and Tribal Governments</td>
<td>$219.8 billion</td>
<td>Allocated by the state's share of national seasonal unemployment (state), base allocation plus population (territories), and treasury determination (tribal governments).</td>
</tr>
<tr>
<td>Counties</td>
<td>$65.1 billion</td>
<td>Directly to counties. Proportionate to population relative to other counties.</td>
</tr>
<tr>
<td>Metropolitan Cities</td>
<td>$45.57 billion</td>
<td>Directly to cities based on CDBG formula.</td>
</tr>
<tr>
<td>Non-Entitlement Units of Government</td>
<td>$19.53 billion</td>
<td>Allocated to states to distribute to localities.</td>
</tr>
</tbody>
</table>
How much direct relief is coming to your state, cities and counties?

(TO THE FACT SHEET!)
STATE & LOCAL CORONAVIRUS FISCAL RECOVERY FUNDS: Key timing & milestones

**MARCH 11, 2021:**
ARPA SIGNED INTO LAW

**DATE VARIES:**
Office of Recovery Programs disburses funding to STATES within 60 days of certification

**MAY 11, 2021:**
Deadline for first half of disbursement of LOCAL FISCAL RECOVERY FUNDS TO COUNTIES and CITIES

**DECEMBER 31, 2021:**
Deadline for spending Coronavirus Relief Fund $ from CARES Act

**DECEMBER 31, 2024**
DEADLINE TO OBLIGATE FISCAL RECOVERY FUNDS

**MAY 11, 2022**
Deadline for the second half of disbursement of LOCAL FISCAL RECOVERY FUNDS TO COUNTIES and CITIES

**DECEMBER 31, 2026**
DEADLINE TO SPEND FISCAL RECOVERY FUNDS
“Treasury encourages recipients to consider funding uses that foster a strong, inclusive, and equitable recovery, especially uses with long-term benefits for health and economic outcomes.”
- Interim Final Rule, 5/11/2021
Ways to use state fiscal recovery funds to promote “healthy childhood environments” (from the Interim Final Rule):

- New or expanded high-quality childcare
- Home visiting programs
- Enhanced services for child welfare-involved families and foster youth to provide support and training on child development, positive parenting, coping skills, or recovery for mental health and substance use challenges
USING ARPA’S FISCAL RECOVERY FUNDING FOR EARLY LEARNING AT THE STATE LEVEL

• See page 17 of BUILD’s “Supporting Prenatal to Three with Federal Relief Dollars” (July 2021) for a comprehensive list of ideas for using CCDBG supplemental funding
Key Considerations

- What degree of budget shortfall has your state suffered due to COVID-19? How does that compare to its estimated fiscal recovery fund allocation?

Key Partnerships

- State, city, and county treasury departments (or other direct recipients of recovery funds)
- Directly/disproportionately impacted communities
- Child care and out of school time providers
- Community organizers
Using ARPA $ for comprehensive ECE strategic financing

Invest in administering infrastructure

Use funds as a down-payment to set a long-term precedent

Collaborate and coordinate across systems

Document & communicate
Part 2: Sustaining the Gain Post-ARPA Through Strategic Financing
STRATEGIC FINANCE ACTION PLANNING helps us determine...

Current Investment

The Cost to Fill the Gap

New Revenue Sources to Fill the Gap

Fiscal Mapping + Cost Modeling are 2 mechanisms we use in strategic financing
WHAT IS A FISCAL MAP?

Expenditures by dept.

- Dept. Human Services = 51%
- Dept. Public Health = 25%
- DCYF = 12%
- Recreation and Park = 5%
- Juvenile Probation = 1%
- SF Public Library = 2%
- SFUSD - Health Program = 2.5%
- First Five = 2%
- Other = 57%

Expenditures by outcome

- Communities Safe - 8%
- Children Ready for School - 31%
- Children Healthy - 4%
- Families Self-Sufficient - 40%
- Families Safe - 17%

Expenditures by service

- Positive Youth Development: $30,507,975
- Prevention: $71,449,147
- Treatment: $179,564,313

Source: [Link to source](www.dcf.wa.gov/Public/CAAP_final_1125.pdf) (November 2009)
WHAT IS THE PURPOSE OF A FISCAL MAP?

- Identify where funds originate, recipients, and outcomes/services supported
- Show available resources, gaps in funding, and how resources can be more effectively coordinated, maximized, or secured
- Identify opportunities for flexibility
- Build relationships across service and funding area silos that enable deeper collaboration
- Make current investments more sustainable and expand awareness of their impact
- Consider whether current funding reflects priorities
WHAT IS A COST MODEL?

A cost model is an approach to measuring the true cost of implementing and maintaining a service or program.

Aims to Understand:
- Per child and total costs of providing early education
- How changes in wages or quality impact overall costs
- How geographic locations impact overall costs

Useful for:
- Determining true cost of care against market cost (expanded upon in next slide)
- Improving child care wages
- Setting appropriate rates

Structural Drivers of Cost:
- Programmatic requirements and related cost variations
- Cost variation by geography
- Incorporation of minimum wage implementation

Implicit Drivers of Cost:
- Wages & Benefits
- Ratios & Group Size
- Rent/Utilities & other non-personnel costs
### MARKET COST VS. TRUE COST

<table>
<thead>
<tr>
<th>Market Cost</th>
<th>True Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ How much people can afford to pay</td>
<td>✓ Actual cost of providing care</td>
</tr>
<tr>
<td>✓ Often reflective of what a child care center will charge to fill its classrooms</td>
<td>✓ Reflective of ALL costs associated with running a classroom</td>
</tr>
<tr>
<td>✓ Centers often subsidize their infant classrooms with rates from preschool classrooms which fill classrooms more easily</td>
<td>✓ Centers follow designated rates for infant and preschool classrooms in line with the best quality of care</td>
</tr>
<tr>
<td>✓ Average Market Cost ranges from $12-15K/year</td>
<td>✓ Average True Cost ranges from 20-30K/year</td>
</tr>
</tbody>
</table>

**Understanding true cost as compared to market cost helps set rates that allow for more stable, higher quality of care**
CFP was contracted to develop a targeted analysis of WECA’s Infant and Toddler Policy Implementation Plan with the aim of understanding:

- How key strategic action items are currently being funded (where applicable)
- Approximately how much it will cost to meet the goals set forth in the plan
- Which revenue-generating options are potentially available to fund expansion of existing programs and services as well as newly proposed programs and services.
POLL QUESTION:
Does your state have a current early childhood strategic financing plan?
<table>
<thead>
<tr>
<th>QUESTIONS</th>
<th>SOLUTIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Current Investment</strong></td>
<td><strong>PHASE I:</strong> Targeted fiscal analysis</td>
</tr>
<tr>
<td>How much money, if any, is currently being invested in key parts of the strategic plan?</td>
<td></td>
</tr>
<tr>
<td><strong>2. Cost to Fill the Gap</strong></td>
<td><strong>PHASE II:</strong> Cost modeling analysis</td>
</tr>
<tr>
<td>What will it cost to scale currently funded activities?</td>
<td></td>
</tr>
<tr>
<td>What will it cost to fund activities that do not currently exist or are not yet funded?</td>
<td></td>
</tr>
<tr>
<td><strong>3. New Revenue Sources to Fill the Gap</strong></td>
<td><strong>PHASE III:</strong> Revenue options research and stakeholder deliberation</td>
</tr>
<tr>
<td>What revenue streams are available at the state level to help pay for the newly identified costs?</td>
<td></td>
</tr>
<tr>
<td>Who needs to be at the table to deliberate on the feasibility of these potential streams and coalesce around a main revenue option/strategy?</td>
<td></td>
</tr>
</tbody>
</table>
• **Roughly 6 unique funding streams** support the analyzed activities in the plan (not including private sources)

• **Most investment originates from federal sources** and is administered by the state or county governments

• **Wisconsin’s child care system received roughly $143.9 million in COVID-19 relief**

  *Including Gov. Evers’ allocation of the CARES Act’s Coronavirus Relief Fund dollars, the CARES Act’s CCDBG supplement, and the FFCRA’s Head Start/Early Head Start supplement. Does not include funds from December 2020’s Consolidated Appropriations Act*
The models contain a **COMPENSATION VARIABLE** (current salary vs. recommended salary) which can be manipulated to understand cost associated with salary increases for various positions.

Similarly, the models contain a **STAFFING STRUCTURE VARIABLE** (adjusted classroom ratios) to allow for cost analysis of more robust staffing to strengthen support for teachers, staff, and children throughout the day.

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**WISCONSIN'S COST MODELING TOOL:**

Built for long-term use
**COST MODELING EXAMPLE: Wisconsin**

<table>
<thead>
<tr>
<th>Salto/Group Size for Infants/Toddlers</th>
<th>Licensing Standards</th>
<th>Choose staffing Pattern</th>
<th>Current staffing structure</th>
<th>Choose fringe level</th>
<th>Current average fringe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salto/Group Size for Preschool</td>
<td>licensing standards</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Young Star Rating</td>
<td>YS Level 4</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Priority Population</td>
<td>No</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Estimated enrollment</td>
<td>85%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fees collected</td>
<td>95%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th># of classrooms</th>
<th>Infants &amp; toddlers</th>
<th>Two year olds</th>
<th>Preschool 3 years old</th>
<th>Preschool 4 years old</th>
<th>School age</th>
<th>Cost difference</th>
<th>% Rate Increase Needed</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>$19,670</td>
<td>$14,390</td>
<td>$11,129</td>
<td>$9,569</td>
<td>$8,200</td>
<td>$53,826</td>
<td>64%</td>
</tr>
<tr>
<td></td>
<td>$11,980</td>
<td>$10,886</td>
<td>$10,886</td>
<td>$9,892</td>
<td>$9,122</td>
<td>$38,548</td>
<td>32%</td>
</tr>
<tr>
<td></td>
<td>$137,688</td>
<td>$158,289</td>
<td>$189,191</td>
<td>$220,093</td>
<td>$254,204</td>
<td>$4,137</td>
<td>2%</td>
</tr>
<tr>
<td></td>
<td>$83,861</td>
<td>$119,741</td>
<td>$185,054</td>
<td>$227,522</td>
<td>$282,781</td>
<td>($7,429)</td>
<td>-3%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>($28,577)</td>
<td>-10%</td>
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<td>$137,688</td>
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<td>$220,093</td>
<td>$227,522</td>
<td>($28,577)</td>
<td>-10%</td>
<td></td>
</tr>
</tbody>
</table>

**RESULTS WITH RECOMMENDED SALARIES**

<table>
<thead>
<tr>
<th>Salto/Group Size for Infants/Toddlers</th>
<th>Licensing Standards</th>
<th>Choose staffing Pattern</th>
<th>Recommended staffing structure</th>
<th>Recommended salary scale</th>
<th>Recommended level 4 salary</th>
<th>Recommended level 3 fringe</th>
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<tbody>
<tr>
<td>Salto/Group Size for Preschool</td>
<td>licensing standards</td>
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<tr>
<td>Young Star Rating</td>
<td>YS Level 4</td>
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<td></td>
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<tr>
<td>Priority Population</td>
<td>No</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Estimated enrollment</td>
<td>85%</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Fees collected</td>
<td>95%</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th># of classrooms</th>
<th>Infants &amp; toddlers</th>
<th>Two year olds</th>
<th>Preschool 3 years old</th>
<th>Preschool 4 years old</th>
<th>School age</th>
<th>Cost difference</th>
<th>% Rate Increase Needed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$29,229</td>
<td>$20,924</td>
<td>$15,794</td>
<td>$11,341</td>
<td>$8,902</td>
<td>$120,743</td>
<td>144%</td>
</tr>
<tr>
<td></td>
<td>$11,980</td>
<td>$10,886</td>
<td>$10,886</td>
<td>$8,806</td>
<td>$9,200</td>
<td>$116,422</td>
<td>92%</td>
</tr>
<tr>
<td></td>
<td>$204,605</td>
<td>$230,163</td>
<td>$268,502</td>
<td>$206,840</td>
<td>$237,527</td>
<td>$83,447</td>
<td>45%</td>
</tr>
<tr>
<td></td>
<td>$83,861</td>
<td>$119,741</td>
<td>$185,054</td>
<td>$237,527</td>
<td>$282,348</td>
<td>$58,476</td>
<td>29%</td>
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**RESULTS WITH RECOMMENDED SALARIES**

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</tr>
<tr>
<td>Description</td>
<td>Amount</td>
<td></td>
<td></td>
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<td>-------------------------------------</td>
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</tr>
<tr>
<td>True cost of care with</td>
<td>$251 million</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>recommended staffing structure and</td>
<td></td>
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</tr>
<tr>
<td>salary levels</td>
<td></td>
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<tr>
<td>Gap between recent subsidy</td>
<td>$74-$100 million</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>investment levels and true cost</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>of care for infants and toddlers</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>currently participating in WI</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Shares (roughly 16,000 children)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Estimated parent copay</td>
<td>$17.5 million</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY20 Infant Toddler WI Shares Subsidy Payments</td>
<td>$159.5 million</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**BRINGING IT ALL TOGETHER:**
Defining the infant toddler investment gap in Wisconsin
PART 3: What’s next?

• Wisconsin as an example!
• Small group discussion and shared walkthrough of the part of the strategic finance action planning process (link to workbook here)
• Breakout rooms (facilitators):
  • Expanding access to early learning opportunities (Heather, Kate)
  • Prekindergarten (Alison, Kylie)
  • Early literacy (Patrick, Esther)
  • Early care and education workforce (Jeni, Courtney)
  • Equity in early learning settings (Melissa, Sophia)
Part 3: Small Group Work
Part 4: Examples of states pursuing long-term ECE goals
FUNDING OUR FUTURE: LA B - 3
Pursuing bold investment in early care and education to support young children, help working families, and build a strong economy.

Revenue generation options to raise $839M over 10 years:

- Commit all sports betting revenue to LA Early Childhood Education Fund
- Prioritize early childhood for funding opportunities created during ongoing tax reform efforts
- Establish children’s special taxing districts to facilitate local revenue generation that would be dedicated to early childhood
- Take advantage of settlements (e.g., opioid, tobacco), as they occur, to fund early childhood
- Consider promising revenue-generation strategies used successfully by other states
How much is currently being invested in key parts of the strategic plan? By whom?

EXAMPLE: Washington

FAIR START FOR KIDS ACT
Historic state legislation to strengthen early learning system for families and providers

Funded primarily through capital gains tax (@ $415M) and federal relief aid (@ $300M)

Implementation timeline 2021 - 2030

For Families:
- Raises income eligibility to 60% SMI
- Lowers copays and caps at 7% of income
- Increased funds to serve families experiencing low-incomes, dual language families, and children with unique needs
- Funds infant-early childhood mental health consultation services

For Providers:
- Funds health insurance for providers
- Raises reimbursement rates to 85th percentile of market rate
- Enhanced rate for infant care, care during nonstandard hours, and dual-language care
- Funding to provide trauma-informed care
- Provides pandemic recovery stabilization grants
EXAMPLES OF EFFORTS TO FUND ECE ACROSS THE NATION

**CO:** Proposition EE increased tobacco taxes to raise $200M for ECE & K-12

**AZ:** collected $143.3M in tobacco taxes for ECE

**FL & CO:** allow for the creation of special taxing districts for raising ECE funds

**Multnomah (OR):** using personal income tax of up to 3.8% to fund ECE

**Dayton (OH):** increased income tax revenue by $4.3M to provide universal ECE

**San Antonio (TX):** dedicates ⅛ cent sales tax to high quality PreK & other early childhood support
How much is currently being invested in key parts of the strategic plan? By whom?

<table>
<thead>
<tr>
<th>Key Considerations &amp; Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>It may be necessary to talk with a state tax policy expert to learn more about what is legally feasible to pursue in your area</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Common Methods</th>
</tr>
</thead>
<tbody>
<tr>
<td>City or county dollars</td>
</tr>
<tr>
<td>State dollars</td>
</tr>
<tr>
<td>Federal dollars</td>
</tr>
<tr>
<td>Local United Way</td>
</tr>
<tr>
<td>Local Foundation</td>
</tr>
<tr>
<td>National Foundation</td>
</tr>
<tr>
<td>Individual donors</td>
</tr>
<tr>
<td>Corporations</td>
</tr>
<tr>
<td>Fee-based services</td>
</tr>
</tbody>
</table>

See our website page on 'Generate' for more information on steps needed to be prepared for generating new revenue for children and youth.

See our report, [Innovative Financing Methods to Expand Services So Children Can Thrive](#), for more details and examples on some of the below methods.
## Innovative Methods

<table>
<thead>
<tr>
<th>Innovative Methods</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local dedicated public fund</td>
</tr>
<tr>
<td>Community Benefit Agreements (CBA)</td>
</tr>
<tr>
<td>Individual or business tax credits</td>
</tr>
<tr>
<td>Pay for Success model</td>
</tr>
<tr>
<td>Medicaid reimbursements</td>
</tr>
<tr>
<td>Community Reinvestment Act agreements (CRA)</td>
</tr>
<tr>
<td>Profits from publicly held assets</td>
</tr>
<tr>
<td>Reforming tax exemptions</td>
</tr>
<tr>
<td>PILOT recapture</td>
</tr>
<tr>
<td>In-kind facilities usage</td>
</tr>
<tr>
<td>Children's Savings Accounts</td>
</tr>
<tr>
<td>Revolving Loan Fund</td>
</tr>
<tr>
<td>Forgivable Loans</td>
</tr>
<tr>
<td>Wellness Funds</td>
</tr>
<tr>
<td>Neighborhood Assistance Programs</td>
</tr>
<tr>
<td>Community Development Financial Institutions (CDFIs)</td>
</tr>
<tr>
<td>Employer Offered Child Care Assistance</td>
</tr>
<tr>
<td>State-issued bonds</td>
</tr>
<tr>
<td>Program Related Investments (PRIs)</td>
</tr>
</tbody>
</table>