Federal and State Funding

NCSL Early Fellows Meeting
Minneapolis, Minnesota
Possible ECE Funding Streams

- Federal
  - Early Head Start/Head Start
  - Child Care Subsidy Program

- State
  - Pre-Kindergarten
  - Infant and Toddler

- Private Pay
- Local Programming
Federal Funding Sources

- More than $17 billion from Federal government
- Major programs
  - Head Start
  - CCDF
  - TANF
- Current allocations
Federal Funding Sources

- Who is served? Eligibility and state flexibility
  - Percentage of children served of those eligible VS.
  - Percentage of children served of those in need
- How funds get to the states
- Education programs
  - ‘Birth to 5’ Preschool Development Grant in ESSA
  - Early Head Start – Child Care Partnerships
Funding, Appropriations, and Reform

- Ancillary Service Programs
  - Child and adult food programs
  - Community and neighborhood development programs
  - Home Visiting
- Program changes and Appropriations – what’s next?
Examples of State Funding Sources

Public Funds
- IL - state general revenue, Education
- KS - tobacco settlement, Children’s Cabinet and Trust Fund

Public & Private Funds
- OK - state general revenue and private sector
- NE - Educational Lands Grant and Trust Fund, private funds

Dedicated Taxes & Tax Credits
- LA and NE - School Readiness Tax Credits
- CA - tobacco tax (First 5)
- AZ - tobacco tax (First Things First)
- AR - beer tax
Innovative Financing Mechanism Approaches

- Set-Aside
- Public Private Partnership Fund
- Tax Credits
Illinois

- 20 percent funding set-aside for research-based home- and center-based programs for at-risk expecting parents and infants & toddlers within the State Board of Ed’s Early Childhood Block Grant (0-5)

Kansas

- At least 30 percent funding set-aside for research-based programs for at-risk expectant parents and infants & toddlers within Early Childhood Block Grant (0-5)
Public Private Partnership Fund

Oklahoma

- State contributes $10 million in state education funds and private sector contributes $15 million to the Oklahoma Pilot Early Childhood Program.

Nebraska

- State contributed $40 million from the Educational Lands and Trust Fund, matched by $20 million in private funds, to Sixpence, the Nebraska Early Childhood Education Endowment. Annual earnings from the funds are distributed as grants to schools and community partners.
Tax Credits

**Louisiana**
- Package of four different refundable tax credits set in statute (2007) used to encourage ECE providers to voluntarily participate in LA’s QRIS
- Credits to Providers; Credits to Directors and Teachers; Credits to Businesses for Supporting Child Care; Credits to Parents/Consumers

**Nebraska**
- Two school readiness tax credits used to provide financial incentives for quality and experience (2016)
- Credits to providers; credits to employees based on education levels, training and work history
- Legislation sunsets in 2021, gathering data on the impact to guide potential renewal of law
NCSL Resources

Human Services Webpage:
www.ncsl.org/research/human-services.aspx

Early Care and Education Webpage:
Federal Funding Resources

- National Institute for Early Education Research – Early Care and Education Funding Landscape
- Child Care Aware State Fact Sheets
- ACF Federal and State Funding Child Care and Early Learning
- CCDF Fundamentals