

A black and white photograph of two young children in a playroom. In the foreground, a young girl with dark hair tied back is focused on playing with a stack of white plastic cups. To her left, the back of another child's head with long hair is visible. The background is slightly blurred, showing more toys and a play area.

The Need for A Comprehensive Strategy: Fiscal Strategies, Part II

P5FS Webinar Series

February 10, 2021



Agenda

01 Welcome & Introduction

02 Solutions to Address Needs

03 Strategies to Increase Revenue

04 Next Steps

01

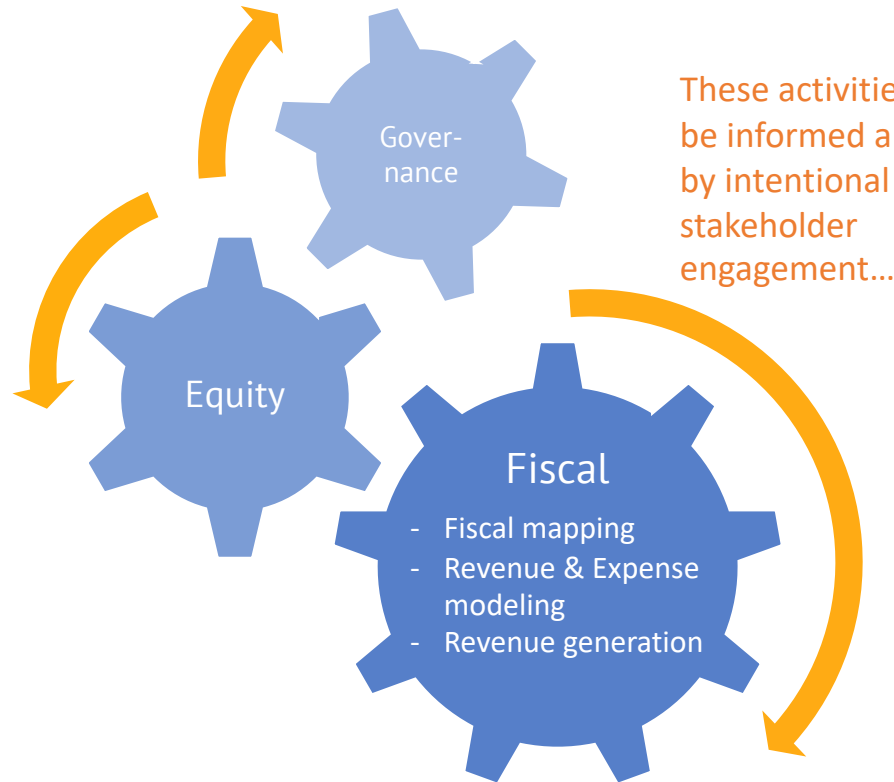
Welcome & Introduction

Six-part series:

1. Jan 13 – Introduction to Comprehensive Fiscal Strategies
 2. Jan 27 – Fiscal Strategies Part 1
 3. **Feb 10 – Fiscal Strategies Part 2**
 4. March 3 – Governance and Shared Leadership Strategies
 5. March 17 – Bringing it All Together
 6. March 31 – Bonus case study webinar
- **Fiscal Strategies Part II – making best use of current resources and increasing available resources**
 - Joined by national experts: Louise Stoney, Opportunities Exchange and Olivia Allen, Children's Funding Project.

Achieving a Comprehensive Prenatal-5 System

States and communities should make use of tools and resources to gather and analyze data to better understand their current system...



The results can inform and be utilized for a comprehensive fiscal approach that **increases funding, better aligns funding, and ensures efficient funding** and governance structures...

Comprehensive
Fiscal Approach

Policy – Program - Practice

All in service of a **comprehensive PN-5 system** that works for families, providers, businesses, and caregivers.



Engagement and Systems Change

Comprehensive Analysis

Vision for PN-5 System

Ground the work in shared principles

A system that...

1. works for all children and ensures that programming reaches and positively impacts those children farthest from opportunity.
2. is fair to providers and supports their developing capacity for quality implementation;
3. compensates the workforce at a level that allows for financial stability and acknowledges their significant impact on child development.
4. uses public resources wisely and efficiently, augmenting private resources from those families who can afford services.
5. acknowledges embedded societal inequities and implements changes to remediate inequity.
6. supports the entirety of a child's experiences before entering kindergarten, including prenatal supports for expectant mothers.

02

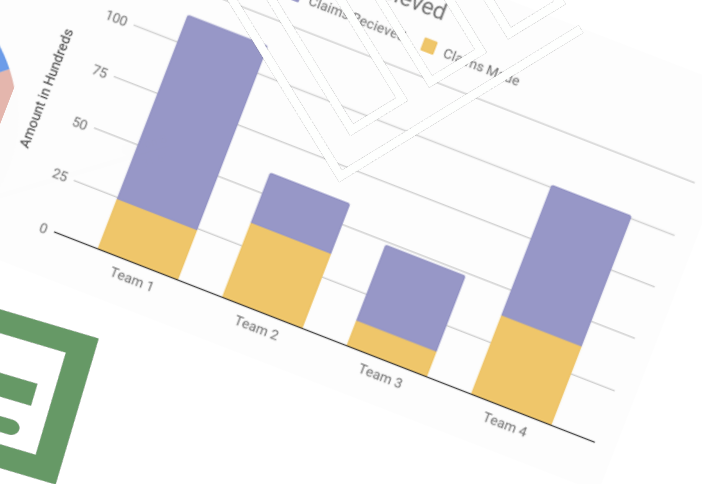
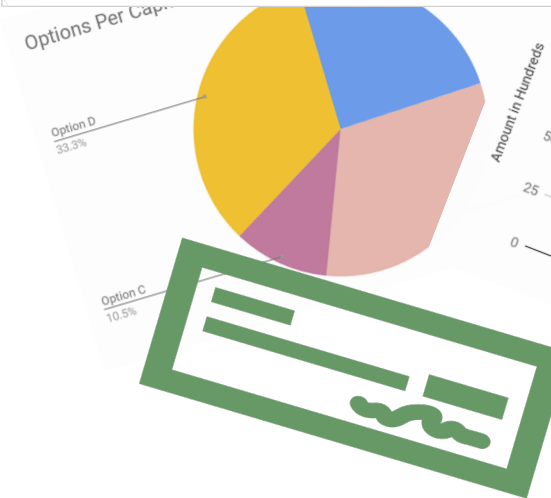
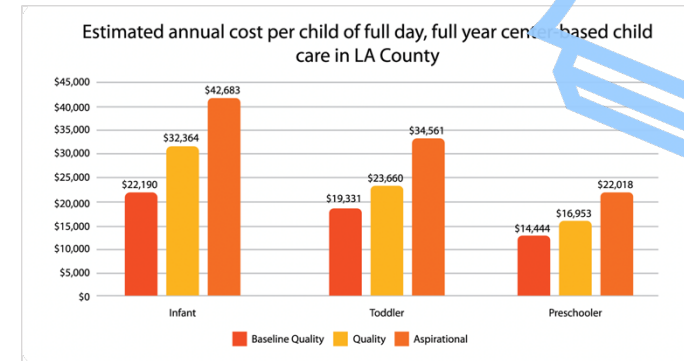
Solutions to Address Needs

Which strategies have you implemented?

- Quality grants or incentives
- Tiered reimbursement
- Contracts and grants
- Subsidy payments on enrollment v attendance
- Early Head Start Child Care Partnerships
- Networks
- Community hubs
- Shared service alliances
- Business operations supports
- Quality supports

Funding Strategies

- Quality grants or incentives
- Tiered reimbursement
- Contracts and grants
- Subsidy payments on enrollment vs attendance
- Early Head Start Child Care Partnerships
- Networks
- Community hubs
- Shared service alliances





Opportunities
Exchange

Shared Services

System-Building at the Provider Level

Louise Stoney



Our Core Values

We believe..

- Every director deserves an administrative team.
- Every teacher deserves pedagogical leadership.
- Every child deserves a reflective teacher.

Pedagogical Leadership

- Child Development expertise
- Classroom coaching
- Teacher supervision
- Instructional leadership
- Child Assessments



Business Leadership

- Full enrollment
- Fee collection
- Cost-per-child, by age
- Fundraising
- Reporting
- Regulatory compliance



High Quality ECE



Remember ...

Family Child Care Providers are also the teacher, family support worker, cook, janitor and more.

Shared Services Enables Scale + Sustainability



**The Network Hub
becomes part of the
solution**

Marketing + Enrollment

Eligibility Determination (child care,
PreK, Head Start, etc.)

Tuition Collection (private + subsidy)

P+L — Business Metrics

Automation + Technology Support

Accounting + Tax Prep Support

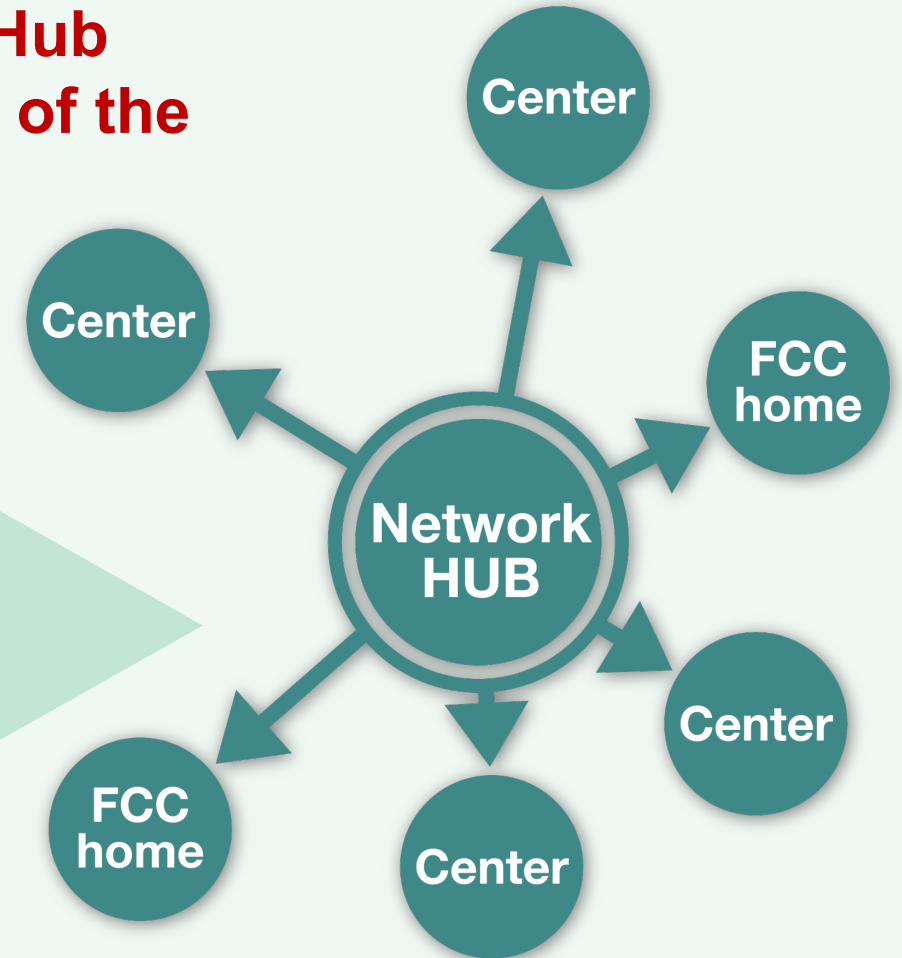
Licensing Compliance

Coaching/PD/Scholarships

Family Supports

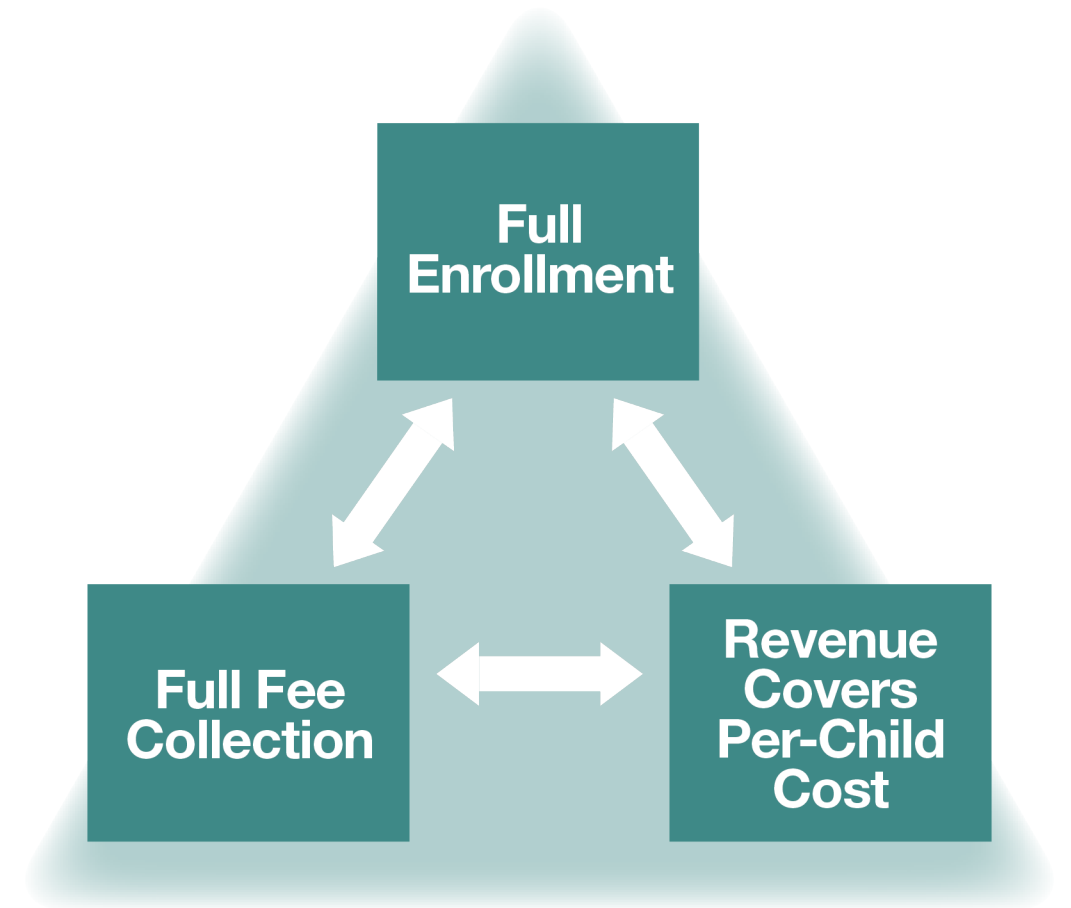
Child Assessments + Screening

Fundraising + Development



The Fiscal Impact of Shared Services

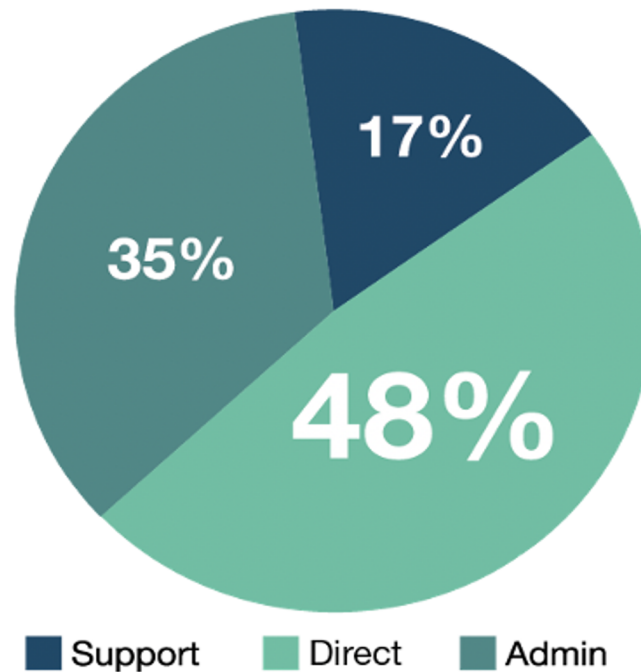
- Build the fiscal capacity needed to boost revenue + ensure sustainability.
 - Effective management of IRON TRIANGLE increases provider revenue
- Streamline admin costs (via technology + centralization) so \$\$ can be shifted into boosting teacher compensation and time can be focused on teaching + learning.



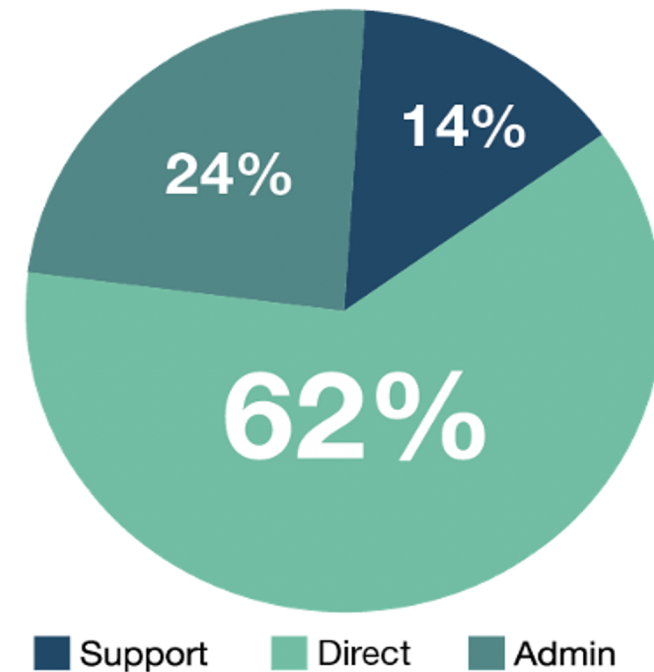
Results: What Success Looks Like

Actual data
from a small,
faith-based
program
engaged in
Shared
Services

**Child Care Center
Personnel Expenses**
January 2018



**Child Care Center
Personnel Expenses**
December 2018



Implementation:

The Change


- Joined a Shared Services Alliance
 - Fully implemented automated CCMS
 - Leveraged business expertise
 - Streamlined site-based admin staff
- Made boosting teacher wages and job-embedded coaching a priority

What Changed?

The Result

- Improved teacher compensation
 - Health insurance
 - 401K for FT employees
 - Wage increase for classroom teachers
- Time for director to focus on instructional leadership
 - 17 more hours per week to work with teachers in classrooms

Results: What Success Looks Like

	With Business Leadership	Stand-Alone	
Market price avg monthly tuition (per child)	\$600	\$600	
Total capacity of home	12	12	
% of market tuition captured	100%	90%	 Iron triangle
Actual monthly tuition charged	\$600	\$450	
Vacancy rate	5%	25%	
Total potential revenue	\$82,080	\$61,560	
% of tuition collected (bad debt)	100%	90%	
Estimated Annual Revenue	\$82,080	\$55,404	
Expenses (Assistant wages, materials, services, etc.)	\$34,150	\$31,907	
Net Revenue to FCC Home Provider	\$47,930	\$23,497	

Full Enrollment is Crucial in Small Settings

Enrollment & Revenue in a Small Family Child Care Home

Average Monthly Market Price Per Child	\$ 600		
Max Annual Revenue @ 6 children	\$ 43,200		
Vacancy Rate	5%	15%	25%
Actual revenue collected	\$ 41,040	\$ 36,720	\$ 32,400
Bad debt	0%	10%	15%
Total Gross Revenue	\$ 41,040	\$ 33,048	\$ 27,540

Results to Date: QCC Business Leadership

When the Project Began....

Average **bad debt** was \$52,532 per program

Many sites were not fully enrolled & most did not have procedures in place to track + boost enrollment

None of the sites were using automated systems to support best practice business management

Eleven months later....

Average **bad debt** was \$877 per program

Providers now have systems to flag problems and address them before debt accumulates.

Enrollment (filling vacancies) grew by 34%

Overall program revenue increased by 24%

Two programs more than doubled revenue + one almost tripled revenue.

Results:

Lower Administrative Cost

Task	Before Automation	After Automation
Payroll/HR tracking	6-8 hours/biweekly	1 hour/biweekly
Tuition billing, tracking	10-12/month	.5 hours/month
Attendance tracking/subsidy billing	10 hours/week	.5 hours/week
Waitlist management/enroll new families	6 hours/month	1 hour/month
Total	48-54 hours/month .5 FTE staff	5.5 hours/month .0009 FTE

Streamlining time-consuming tasks to lower your overhead costs

Tax Prep Support is Another Key Element

- Assistance with tax preparation can make a big difference in child care business owner's net income.
- Automation makes record-keeping and tax preparation much easier.
- Intentional support for record-keeping + identifying accounts and tax preparers who understand the business of child care are important steps.

1040 U.S. Individual Income Tax Form
Department of the Treasury—Internal Revenue Service
For the year Jan. 1–Dec. 31, 2016, or other tax year beginning

Your first name and initial
Last

If a joint return, spouse's first name and initial

Home address (number and street). If you have a P.O. box, use that address.

City, town or post office, state, and ZIP code. If you have a foreign country name, use that name.

Filing Status
Check only one box.

1 ☐ Single
2 ☐ Married
3 ☐ Married and filing separately

Exemptions
6a ☐ b ☐ c ☐ d ☐ e ☐ f ☐ g ☐ h ☐ i ☐ j ☐ k ☐ l ☐ m ☐ n ☐ o ☐ p ☐ q ☐ r ☐ s ☐ t ☐ u ☐ v ☐ w ☐ x ☐ y ☐ z ☐ aa ☐ ab ☐ ac ☐ ad ☐ ae ☐ af ☐ ag ☐ ah ☐ ai ☐ aj ☐ ak ☐ al ☐ am ☐ an ☐ ao ☐ ap ☐ aq ☐ ar ☐ as ☐ at ☐ au ☐ av ☐ aw ☐ ax ☐ ay ☐ az ☐ ba ☐ bb ☐ bc ☐ bd ☐ be ☐ bf ☐ bg ☐ bh ☐ bi ☐ bj ☐ bk ☐ bl ☐ bm ☐ bn ☐ bo ☐ bp ☐ bq ☐ br ☐ bs ☐ bt ☐ bu ☐ bv ☐ bw ☐ bx ☐ by ☐ bz ☐ ca ☐ cb ☐ cc ☐ cd ☐ ce ☐ cf ☐ cg ☐ ch ☐ ci ☐ cj ☐ ck ☐ cl ☐ cm ☐ cn ☐ co ☐ cp ☐ cq ☐ cr ☐ cs ☐ ct ☐ cu ☐ cv ☐ cw ☐ cx ☐ cy ☐ cz ☐ da ☐ db ☐ dc ☐ dd ☐ de ☐ df ☐ dg ☐ dh ☐ di ☐ dj ☐ dk ☐ dl ☐ dm ☐ dn ☐ do ☐ dp ☐ dq ☐ dr ☐ ds ☐ dt ☐ du ☐ dv ☐ dw ☐ dx ☐ dy ☐ dz ☐ ea ☐ eb ☐ ec ☐ ed ☐ ee ☐ ef ☐ eg ☐ eh ☐ ei ☐ ej ☐ ek ☐ el ☐ em ☐ en ☐ eo ☐ ep ☐ eq ☐ er ☐ es ☐ et ☐ eu ☐ ev ☐ ew ☐ ex ☐ ey ☐ ez ☐ fa ☐ fb ☐ fc ☐ fd ☐ fe ☐ ff ☐ fg ☐ fh ☐ fi ☐ fj ☐ fk ☐ fl ☐ fm ☐ fn ☐ fo ☐ fp ☐ fq ☐ fr ☐ fs ☐ ft ☐ fu ☐ fv ☐ fw ☐ fx ☐ fy ☐ fz ☐ ga ☐ gb ☐ gc ☐ gd ☐ ge ☐ gf ☐ gg ☐ gh ☐ gi ☐ gj ☐ gk ☐ gl ☐ gm ☐ gn ☐ go ☐ gp ☐ gq ☐ gr ☐ gs ☐ gt ☐ gu ☐ gv ☐ gw ☐ gx ☐ gy ☐ gz ☐ ha ☐ hb ☐ hc ☐ hd ☐ he ☐ hf ☐ hg ☐ hh ☐ hi ☐ hj ☐ hk ☐ hl ☐ hm ☐ hn ☐ ho ☐ hp ☐ hq ☐ hr ☐ hs ☐ ht ☐ hu ☐ hv ☐ hw ☐ hx ☐ hy ☐ hz ☐ ia ☐ ib ☐ ic ☐ id ☐ ie ☐ if ☐ ig ☐ ih ☐ ii ☐ ij ☐ ik ☐ il ☐ im ☐ in ☐ io ☐ ip ☐ iq ☐ ir ☐ is ☐ it ☐ iu ☐ iv ☐ iw ☐ ix ☐ iy ☐ iz ☐ ja ☐ jb ☐ jc ☐ jd ☐ je ☐ jf ☐ jg ☐ jh ☐ ji ☐ jj ☐ jk ☐ jl ☐ jm ☐ jn ☐ jo ☐ jp ☐ jq ☐ jr ☐ js ☐ jt ☐ ju ☐ jv ☐ jw ☐ jx ☐ jy ☐ jz ☐ ka ☐ kb ☐ kc ☐ kd ☐ ke ☐ kf ☐ kg ☐ kh ☐ ki ☐ kj ☐ kk ☐ kl ☐ km ☐ kn ☐ ko ☐ kp ☐ kq ☐ kr ☐ ks ☐ kt ☐ ku ☐ kv ☐ kw ☐ kx ☐ ky ☐ kz ☐ la ☐ lb ☐ lc ☐ ld ☐ le ☐ lf ☐ lg ☐ lh ☐ li ☐ lj ☐ lk ☐ ll ☐ lm ☐ ln ☐ lo ☐ lp ☐ lq ☐ lr ☐ ls ☐ lt ☐ lu ☐ lv ☐ lw ☐ lx ☐ ly ☐ lz ☐ ma ☐ mb ☐ mc ☐ md ☐ me ☐ mf ☐ mg ☐ mh ☐ mi ☐ mj ☐ mk ☐ ml ☐ mm ☐ mn ☐ mo ☐ mp ☐ mq ☐ mr ☐ ms ☐ mt ☐ mu ☐ mv ☐ mw ☐ mx ☐ my ☐ mz ☐ na ☐ nb ☐ nc ☐ nd ☐ ne ☐ nf ☐ ng ☐ nh ☐ ni ☐ nj ☐ nk ☐ nl ☐ nm ☐ nn ☐ no ☐ np ☐ nq ☐ nr ☐ ns ☐ nt ☐ nu ☐ nv ☐ nw ☐ nx ☐ ny ☐ nz ☐ oa ☐ ob ☐ oc ☐ od ☐ oe ☐ of ☐ og ☐ oh ☐ oi ☐ oj ☐ ok ☐ ol ☐ om ☐ on ☐ oo ☐ op ☐ oq ☐ or ☐ os ☐ ot ☐ ou ☐ ov ☐ ow ☐ ox ☐ oy ☐ oz ☐ pa ☐ pb ☐ pc ☐ pd ☐ pe ☐ pf ☐ pg ☐ ph ☐ pi ☐ pj ☐ pk ☐ pl ☐ pm ☐ pn ☐ po ☐ pp ☐ pq ☐ pr ☐ ps ☐ pt ☐ pu ☐ pv ☐ pw ☐ px ☐ py ☐ pz ☐ qa ☐ qb ☐ qc ☐ qd ☐ qe ☐ qf ☐ qg ☐ qh ☐ qi ☐ qj ☐ qk ☐ ql ☐ qm ☐ qn ☐ qo ☐ qp ☐ qq ☐ qr ☐ qs ☐ qt ☐ qu ☐ qv ☐ qw ☐ qx ☐ qy ☐ qz ☐ ra ☐ rb ☐ rc ☐ rd ☐ re ☐ rf ☐ rg ☐ rh ☐ ri ☐ rj ☐ rk ☐ rl ☐ rm ☐ rn ☐ ro ☐ rp ☐ rq ☐ rr ☐ rs ☐ rt ☐ ru ☐ rv ☐ rw ☐ rx ☐ ry ☐ rz ☐ sa ☐ sb ☐ sc ☐ sd ☐ se ☐ sf ☐ sg ☐ sh ☐ si ☐ sj ☐ sk ☐ sl ☐ sm ☐ sn ☐ so ☐ sp ☐ sq ☐ sr ☐ ss ☐ st ☐ su ☐ sv ☐ sw ☐ sx ☐ sy ☐ sz ☐ ta ☐ tb ☐ tc ☐ td ☐ te ☐ tf ☐ tg ☐ th ☐ ti ☐ tj ☐ tk ☐ tl ☐ tm ☐ tn ☐ to ☐ tp ☐ tq ☐ tr ☐ ts ☐ tu ☐ tv ☐ tw ☐ tx ☐ ty ☐ tz ☐ ua ☐ ub ☐ uc ☐ ud ☐ ue ☐ uf ☐ ug ☐ uh ☐ ui ☐ uj ☐ uk ☐ ul ☐ um ☐ un ☐ uo ☐ up ☐ uq ☐ ur ☐ us ☐ ut ☐ uu ☐ uv ☐ uw ☐ ux ☐ uy ☐ uz ☐ va ☐ vb ☐ vc ☐ vd ☐ ve ☐ vf ☐ vg ☐ vh ☐ vi ☐ vj ☐ vk ☐ vl ☐ vm ☐ vn ☐ vo ☐ vp ☐ vq ☐ vr ☐ vs ☐ vt ☐ vu ☐ vv ☐ vw ☐ vx ☐ vy ☐ vz ☐ wa ☐ wb ☐ wc ☐ wd ☐ we ☐ wf ☐ wg ☐ wh ☐ wi ☐ wj ☐ wk ☐ wl ☐ wm ☐ wn ☐ wo ☐ wp ☐ wq ☐ wr ☐ ws ☐ wt ☐ wu ☐ wv ☐ ww ☐ wx ☐ wy ☐ wz ☐ xa ☐ xb ☐ xc ☐ xd ☐ xe ☐ xf ☐ xg ☐ xh ☐ xi ☐ xj ☐ xk ☐ xl ☐ xm ☐ xn ☐ xo ☐ xp ☐ xq ☐ xr ☐ xs ☐ xt ☐ xu ☐ xv ☐ xw ☐ xx ☐ xy ☐ xz ☐ ya ☐ yb ☐ yc ☐ yd ☐ ye ☐ yf ☐ yg ☐ yh ☐ yi ☐ yj ☐ yk ☐ yl ☐ ym ☐ yn ☐ yo ☐ yp ☐ yq ☐ yr ☐ ys ☐ yt ☐ yu ☐ yv ☐ yw ☐ yx ☐ yy ☐ yz ☐ za ☐ zb ☐ zc ☐ zd ☐ ze ☐ zf ☐ zg ☐ zh ☐ zi ☐ zj ☐ zk ☐ zl ☐ zm ☐ zn ☐ zo ☐ zp ☐ zq ☐ zr ☐ zs ☐ zt ☐ zu ☐ zv ☐ zw ☐ zx ☐ zy ☐ zz

A Focus on Systemic Change

Address Inequity

- Empower child care providers with the tools to succeed and access to financial resources – especially in under-resourced neighborhoods
- Strengthen leadership pathways, improve job quality, and place a greater focus on children and families

Improve Compensation

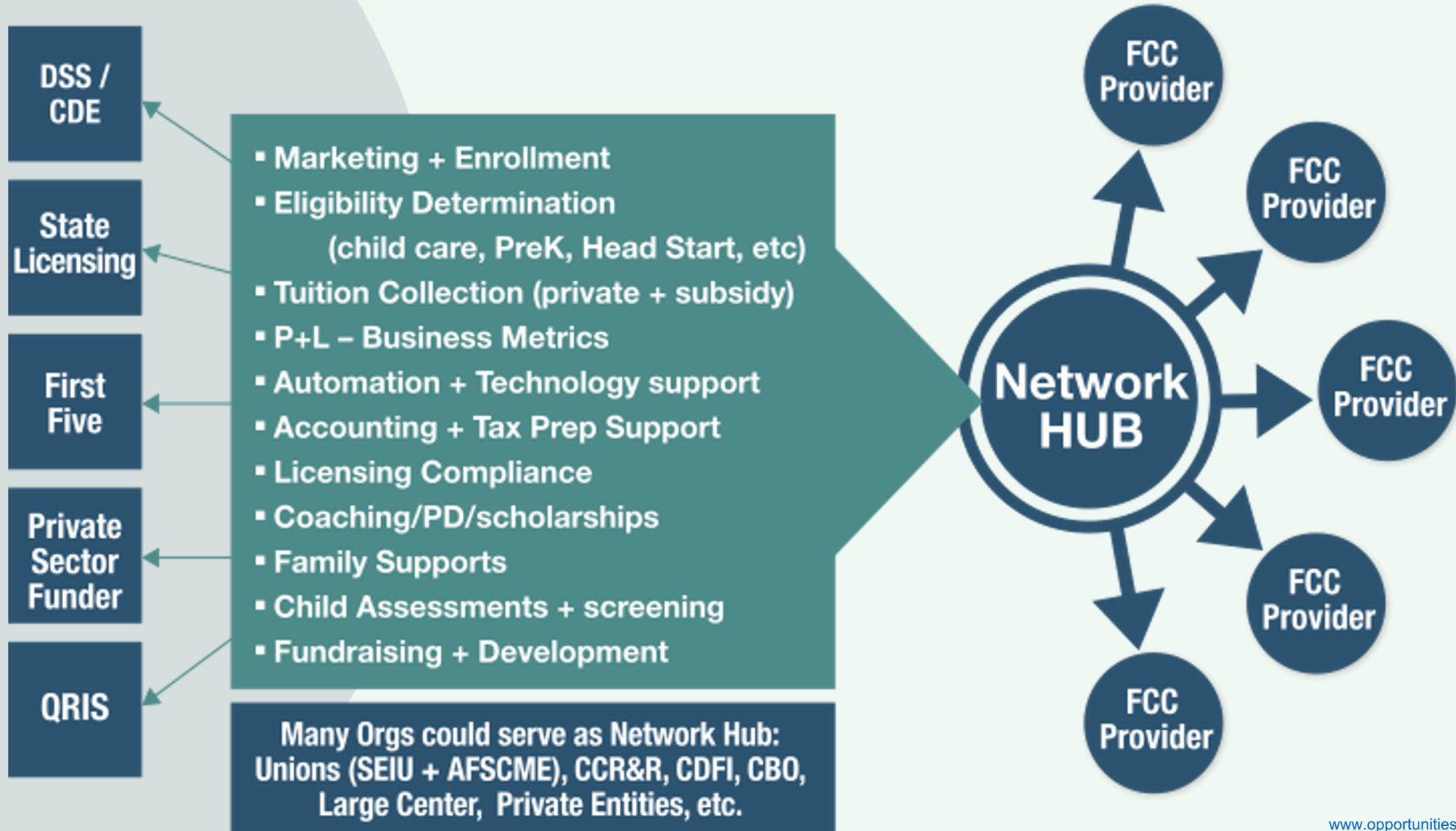
- Re-deploy resources for center teacher wages and paid planning time (for teachers to think + plan)
- Boost revenue for home-based providers
- Improve job quality – more time, better able to focus on what matters (teaching, learning, relationships)

Stabilize Business

- Maximize revenue; tap and collect all available \$
- Stronger businesses with stable, predictable revenue
- Dashboard with key metrics to inform decisions – individually & collectively (as a sector)
- APIs w/ public systems to streamline funding, accountability

Vision for Change:

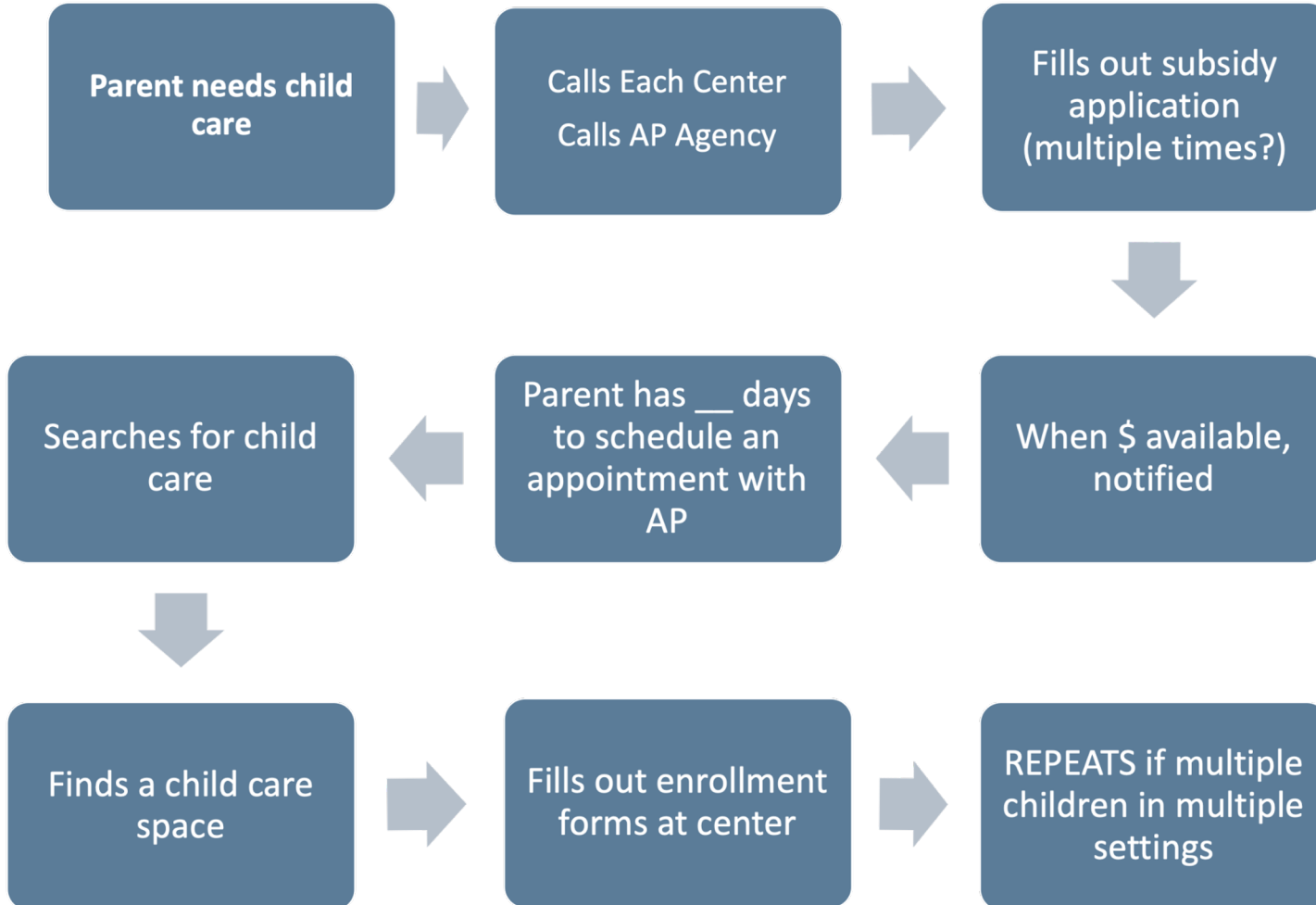
FCC Network with Shared Services Framework



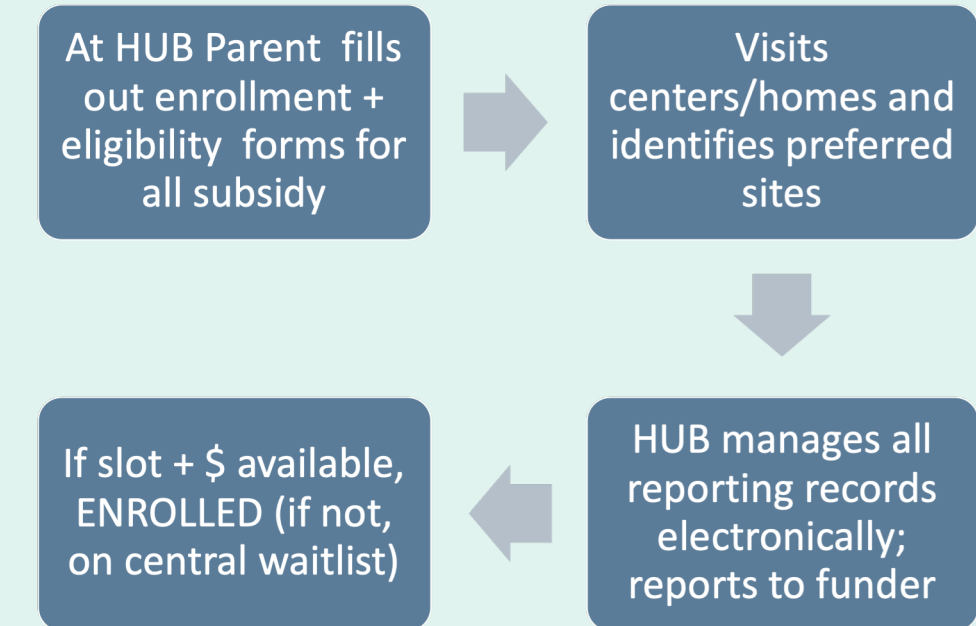
Vision for Change:

Slot Contracts with Shared Services Network

Current subsidy application process (a CA example)



Shared Services can help streamline the process

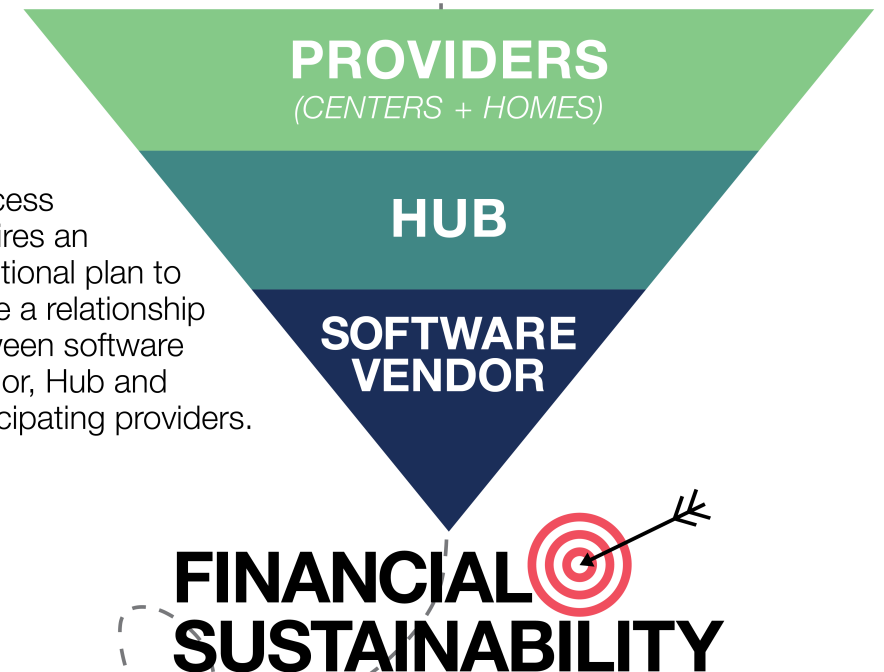


Technology: A Strategic Partnership

SUSTAINABILITY + TECHNOLOGY

Making Business
Leadership Real:
The Role of Automation

Success
requires an
intentional plan to
guide a relationship
between software
vendor, Hub and
participating providers.



Shared Services and Policy

Public funding streams support scaled ECE

- Rates based on cost vs price
- Reimbursement based on enrollment vs attendance
- Slot contracts (with Shared Services Network) to ensure stable, predictable funding

Accountability + support systems enable scaled ECE

- Encourage + fund provider automation
- Enable third-party submission documentation (QRIS, licensing, etc.) on behalf of network providers
- Allow Hub to apply for coaching/TA \$ to support members

Data Systems Encourage CCMS at Scale

- Statewide data systems (CCR&R, subsidy, etc.) linked to provider + Network CCMS
- Real-time supply + demand data for parent search, planning, funding

Increased Funding + Support for Innovation

- Funding for Shared Services start-up and expansion, including Networks for center- and home-based child care
- Business support (tax prep, refundable tax credits, facility grants, and more)

03

Strategies to Increase Revenue

- Need sufficient and sustainable revenue to support systems change
- P-5 must have a seat and a voice at the budget table
- Don't be afraid to make the big ask – informed by data
- Tie revenue strategy back to guiding principles and long-term vision
- How?
 - Understand which revenue streams have potential
 - General appropriations – 2019 governors proposed nearly \$3 billion in budget proposals
 - Leverage existing funding mechanisms – K-12 funding formula, Medicaid, land grants
 - Taxes...

Funding Our Future Report

- Recommendations from 2019 child care revenue workgroup
- Focused on tax strategies
- Identified 7 state and local tax strategies
- Guiding questions to help identify best approach



Guiding Questions

How do you decide which mechanism makes sense to explore?

Considerations



What jurisdiction will levy the tax?



Is the tax legally feasible?



Can the tax be dedicated to early care and education?



Is the tax politically feasible?



Is the tax progressive or regressive?



Does the tax have communication power related to early care and education?



Who pays the tax? Who benefits from the tax?



Is the tax timely?



How does the projected generated revenue fit into your vision for the P-5 system



Generating new public revenue for early childhood

Olivia Allen, Children's Funding Project



CHILDREN' 
FUNDING PROJECT

CHILDREN'S FUNDING PROJECT

We exist to help communities close equity & opportunity gaps for children and youth through strategic 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.



PROBLEM STATEMENT

Early childhood systems
are dramatically underfunded, and
access to high quality programs is deeply inequitable
despite overwhelming voter support
for increased public funding.

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

Innovative

★ Dedicated public funds (set aside or new tax) ★

Community Benefit Agreements

Individual or Business Tax credits

Opioid Settlement dollars

Medicaid reimbursements

Community Reinvestment Act agreements

Profits from publicly held assets

Reforming tax exemptions

PILOT recapture

In kind facilities usage

Why pursue **PUBLIC REVENUE, DEDICATED VIA BALLOT MEASURE** for early childhood?

PUBLIC FUNDING

- Significant investment
- Accountable infrastructure
- Community-driven
- Drives provider equity

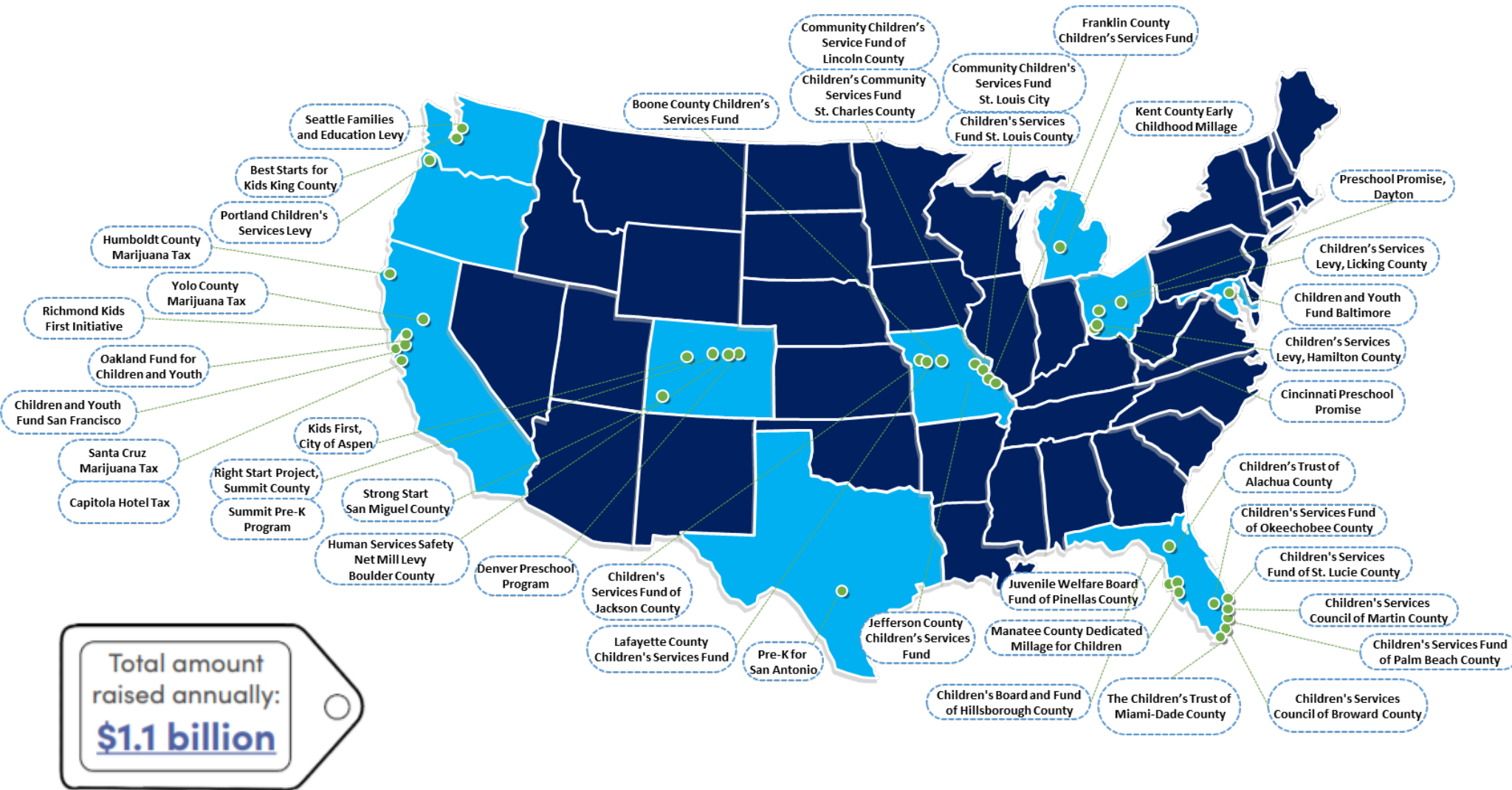
DEDICATED FUNDING

- Sustainable
- Builds & addresses a stable system
- Coordinated, consistent, long-term data
- Reduces siloes

BALLOT MEASURES

- Builds a grassroots children's movement
- Creates models that are community-responsive and build trust
- Create funding opportunities outside of traditional budget cycle and legislature

Local dedicated funding prior to 2020



Many of these funds dedicate significant revenue to early childhood

Sales tax

- Aspen/Pitkin County, CO;
- San Antonio, TX;
- Denver, CO

Property tax

- King County, WA;
- Cincinnati, OH;
- San Miguel County, CO;
- Seattle, WA;
- Kent County, MI

PILOT recapture

- Memphis, TN

Commercial rent tax

- San Francisco, CA

Special taxing districts

- Broward County, FL
- Palm Beach County, FL

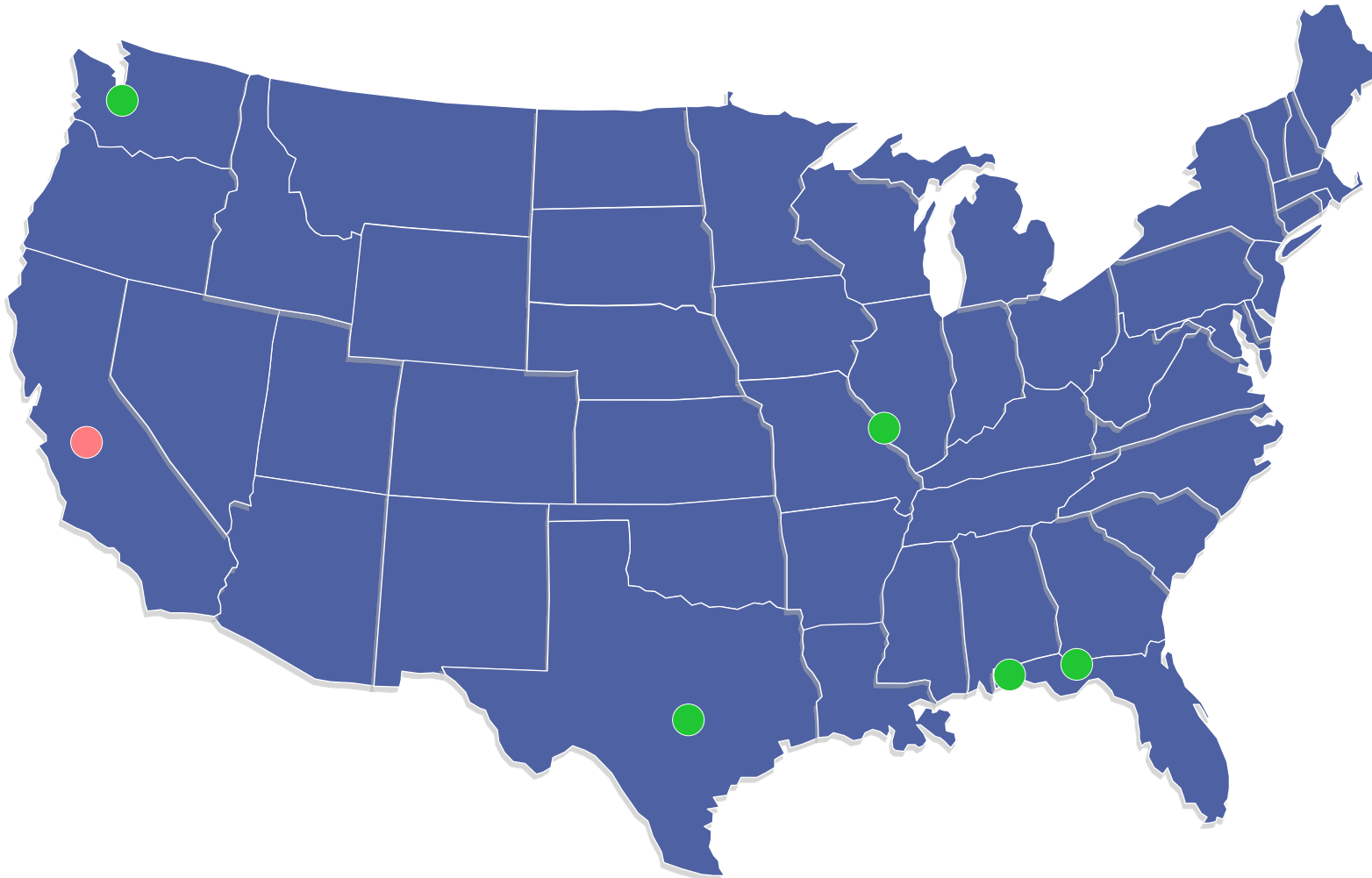
Sweetened beverage tax

- Philadelphia, PA

Income tax

- Dayton, OH

Early childhood funding on local ballots in November 2020



Name	Annual Revenue	% support
Preschool for All Multnomah County, OR	\$202 million by 2026	64.1%
Prop R City of St. Louis, MO	\$2.3 million	56.1%
Escambia Children's Trust Escambia County, FL	\$7.5 million	61%
Children's Services Fund of Leon County Leon County, FL	\$7.5 million	65.8%
Pre-K 4 SA Reauthorization San Antonio, TX	\$36.4 million	73.3%
Measure X San Joaquin, CA	\$750,000 – 1.25 million	64.5%

Will generate more than \$250 million annually by 2026.

Colorado Children's Campaign – November 2020

PROPOSITION EE: An incremental tax increase on cigarettes and tobacco products, and a new tax on liquid nicotine (vaping).

Revenue:

\$176M in total revenue 2020-21, increasing to \$275M in 2027-28
Revenue will initially go to k-12 public schools, affordable housing, and tobacco education, prevention, and cessation, but starting in 2024 will be used to fund pre-k - \$168M in first year, growing to \$242M when fully implemented

Key messages:

1. **Save lives by reducing tobacco and vape** use through higher product prices & funding tobacco prevention & cessation programs.
2. Shield K-12 schools from deep budget cuts caused by COVID and provide **universal, free preschool in fall of 2023.**



COLORADO CHILDREN'S CAMPAIGN
Every Chance for Every Child



Proposition EE
won with 67.56%
of the vote

WHAT ARE THE STEPS TO RAISING PUBLIC REVENUE VIA BALLOT MEASURE?

1. System-building

Identify shared goals & desired outcomes for children and families, and strengthen a convening entity (advocacy group or intermediary)

2. Quantify the gap

Conduct fiscal mapping, cost-modeling, and needs analysis to determine the gap between current funding and funding needed

3. Select a revenue mechanism

Research the legally feasible revenue-generating mechanisms and use the 8 other guiding questions to select one

4. Build a coalition

5. Secure ballot placement













6. Run a winning campaign

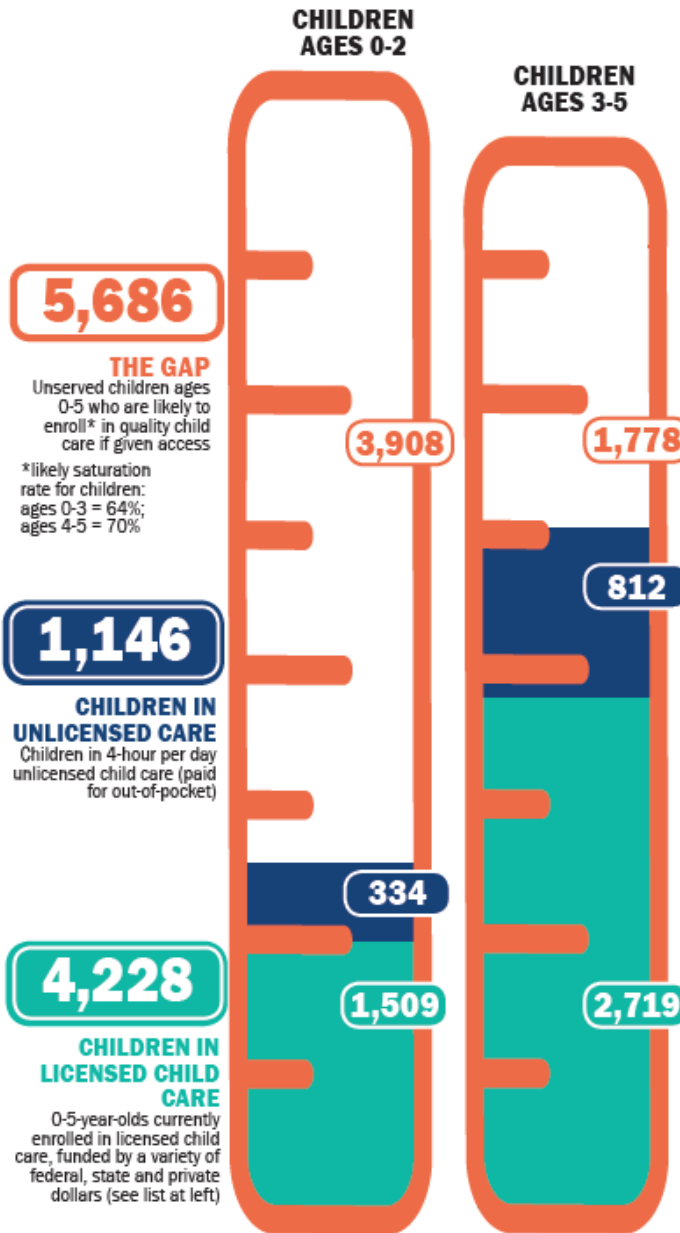
Buncombe County Early Childhood Financing

2. Quantify the gap - local level

- Set clear goals
- Map funding currently supporting those goals
- Use cost-modeling to estimate funding needed to achieve goals

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



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 x **\$ COST PER CHILD**
5,686 unserved, eligible, likely to enroll 0-5-year-olds x \$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

3. Select a revenue-generating mechanism

Common Tax Mechanisms



Personal Income Taxes.



Sales Taxes.



Estate and Inheritance Taxes.



Corporate and Business Taxes.



Property Taxes.



Sin Taxes.



Special District Government Taxes.

For greater detail on these mechanisms, read: [Funding Our Future: Generating State and Local Tax Revenue for Quality Early Care and Education](#)

Other Taxes and Taxing Strategies:

- Eliminate tax credits and exclusions that disproportionately benefit the rich
- Enact state-enabling legislation to allow for taxation at the local level
- Dedicate tobacco and opioid settlement dollars to children
- Close nicotine/tobacco tax vaping loopholes
- Tax tech (ex. digital advertising tax)

3. Select a revenue-generating mechanism (helpful tool)

Appendix 1: State tax options by policy area

Funding Our Future: Generating State and Local Tax Revenue for Quality Early Care and Education 2019

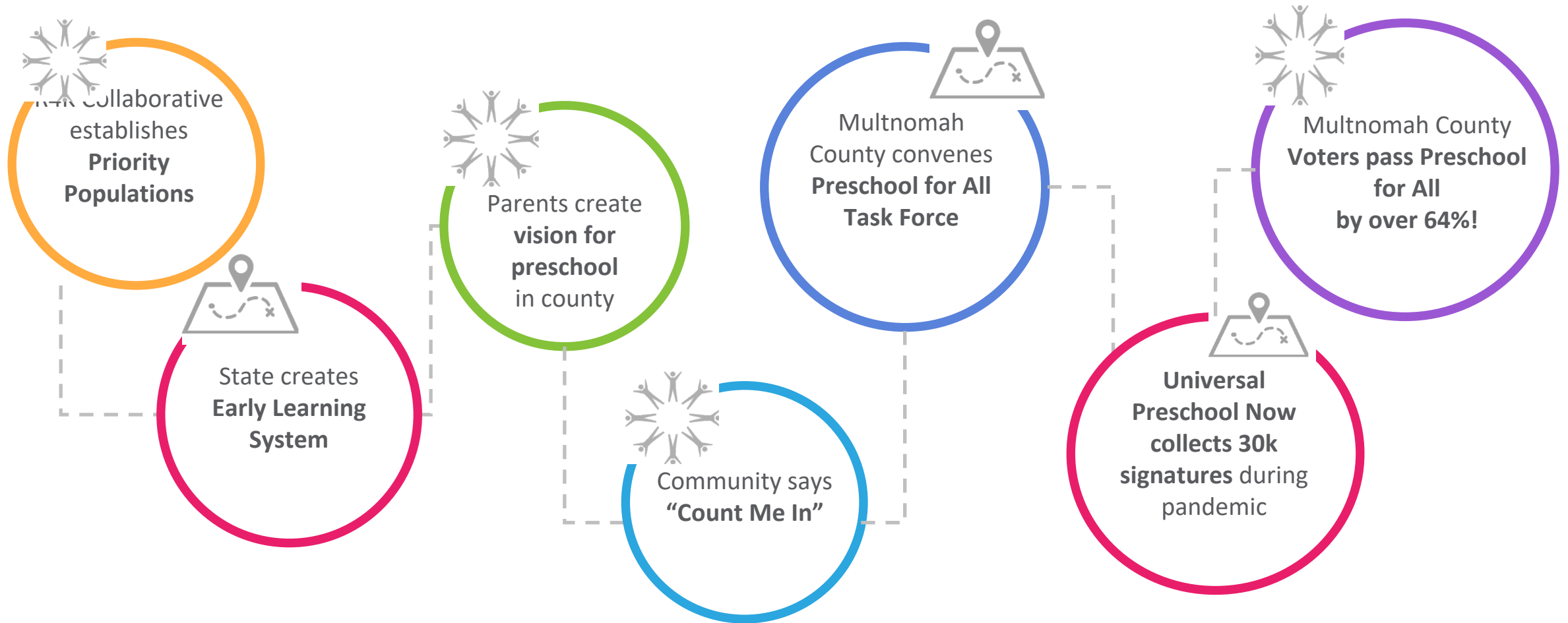


STATE	PERSONAL INCOME TAXES					
	Increase income tax rates & dedicate funding to ECE	Enact/increase a tax on top earners	Limit/eliminate itemized deductions	Phase out personal exemption/credit or standard deduction for upper-income taxpayers	Eliminate deduction for federal/state income taxes paid	Eliminate special treatment of capital gains income
	Is this strategy relevant to explore in state X?					
Alabama	Yes (state & local)	Yes	Eliminate or limit	Yes (Dep exemption currently phases out)	Eliminate federal income tax deduction	
Alaska	No income tax					
Arizona	Yes (state)	Yes	Eliminate or limit	Yes	Eliminate state income tax deduction	Yes
Arkansas	Yes (state)	Yes	Eliminate or limit			Yes
California	Yes (state & some local)	Yes	Eliminate or limit (currently has steeper phase down)	Yes (PE credit currently phases out/start at lower income)		
Colorado	Yes (state and local)	Constitution prohibits graduated rate; amendment required	Eliminate or limit			
Connecticut	Yes (state)	Yes				
Delaware	Yes (state and local)	Yes	Eliminate or limit	Yes		
District of Columbia	Yes (state)	Yes	Eliminate or limit (currently has steeper phase down)	Yes		
Florida	No income tax					
Georgia	Yes (state)	Constitution prohibits top rate higher than 6%	Eliminate or limit	Yes	Eliminate state income tax deduction	

FUNDING OUR FUTURE:
Generating State and Local Tax Revenue
for Quality Early Care and Education



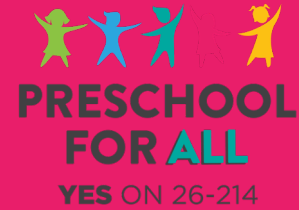
4, 5, & 6 in Multnomah County



2012-----2013-----2014-----2015-----2016-----2017-----2018-----2019-----2020-----2021



Our
Coalition



United Way of the
Columbia-Willamette



portland
children's
Museum

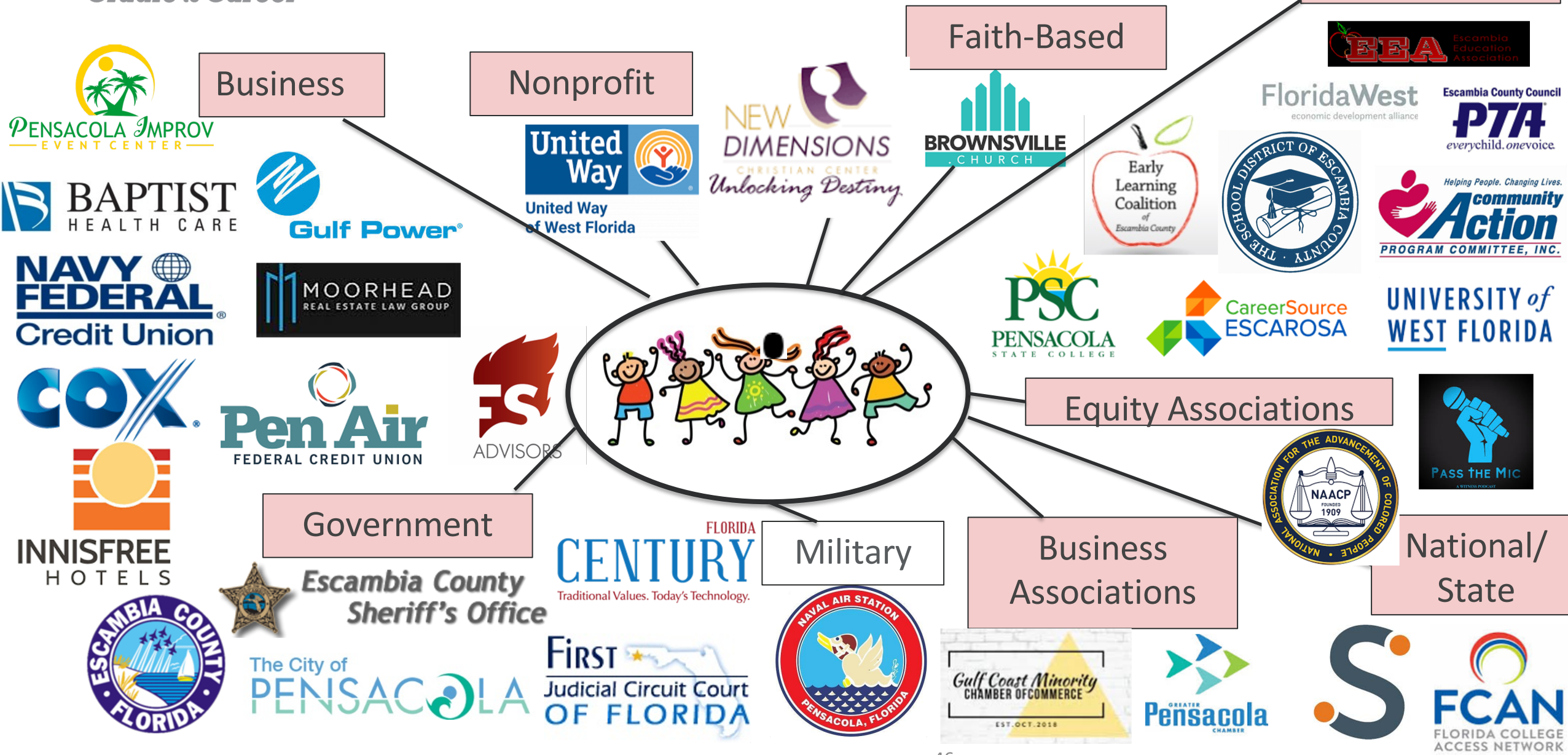


Moving Lives Forward.

RAISE THE VILLAGE



All-In Partnership



WHY NOT NOW?

It's just too expensive

It's not early childhood's "turn"

Don't we already pay for that?

No way people will support a tax right now

We need that money for other priorities



STOP

WHY NOW

"There is no such thing as a “**good time**” or the “**right time**” to push for any of this...the “**right time**” is when you have the energy and capacity to push." – *Kenny Francis*



04

Next Steps

Next Steps

Access webinar recording and slides at:

www.prenatal5fiscal.org/webinarseries

Series resumes on March 3

Share with us: How are you using this content? What conversations is this opening up?

Email: *info@prenatal5fiscal.org*



Thank you!



P5
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Strategies

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