

Local Financing for Early Learning

A Community Toolkit



BTC

Budget & Tax Center

Our Time Together

- ✓ Understand local revenue streams for early learning in NC and their opportunities and challenges.
- ✓ Hear about successful initiatives around the country.
- ✓ Learn about emerging leaders and emerging financing tools in NC.

It's Time!

There is widening community support for ensuring children get a strong start.

- Business
- Economic Development
- Faith
- Law Enforcement
- Voters
- State and local elected officials



We Have Momentum!

- National Business Roundtable - calling for policies to increase 3rd grade literacy
- SAS, AT&T North Carolina, Ingersoll Rand, Bank of America, National Gypsum Company, Red Hat and Medical Mutual Insurance are spearheading the effort in NC
- CEOs recognize these policies as a major step in reversing the “skills gap” and developing a workforce prepared to succeed in a global economy



Dale Jenkins
CEO, Medical Mutual of NC

Faith Leaders are Called to Act

- Educating Parents about Early Learning
- Promoting High Quality Early Childhood Programs
- Supporting Literacy Efforts
- Creating Community Impact



My faith calls me to ensure that each child in every community has the opportunity to become the very best person God has created him or her to be."

Reverend Tommy James
First Baptist Church
Burnsville, North Carolina

Government Initiatives Abound!

- NC Association of County Commissioners – **THRIVE Initiative** – 100 Counties
- NC General Assembly **Birth – 8 Interagency Task Force** - create a coordinated system of early care, education and child development services.
- **Buncombe County** using economic development dollars for preschool expansion
- At least a dozen **NC counties investing** in early learning



Overwhelming Voter Support



MAJORITIES IN ALL PARTIES

support increasing funding for
NC Pre-K and Smart Start.

70%

Republicans



87%

Independents



92%

Democrats



Learn more at

www.buildthefoundation.org



North Carolina voters
recognize these benefits from high-
quality early childhood education.



Setting children up for success in
elementary, middle and high school

78%



Helping children achieve their
third grade reading goals

77%



Creating a larger pool of highly
skilled workers in the long-term

75%

Learn more at

www.buildthefoundation.org



Early Learning Champions



Discuss with a Partner

What is the level of support for more access to early learning in your community? How might you measure it?



Why Local Financing?

To answer this question, you first need to know how early learning is currently financed in North Carolina



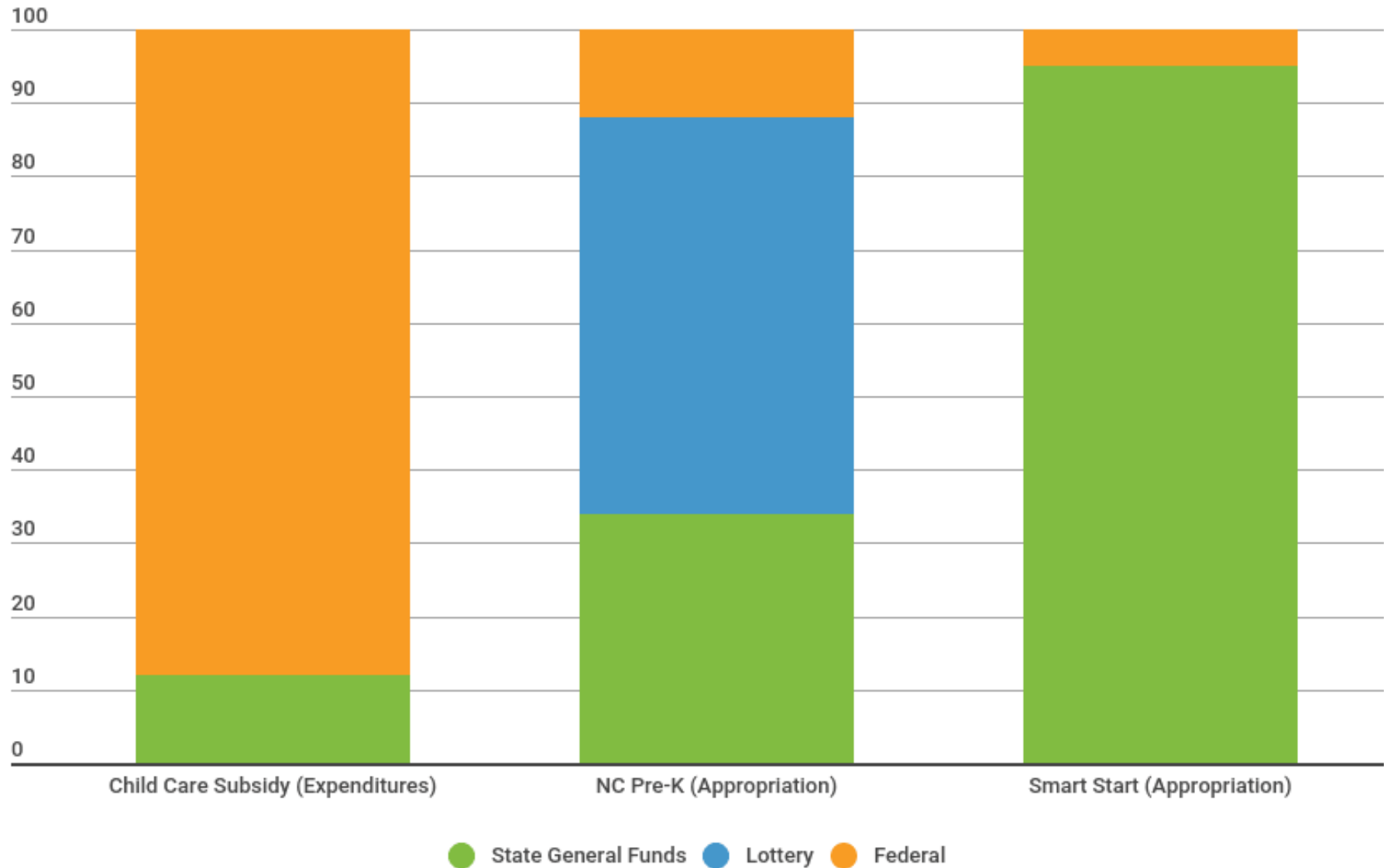
Early Learning Funding

Federal

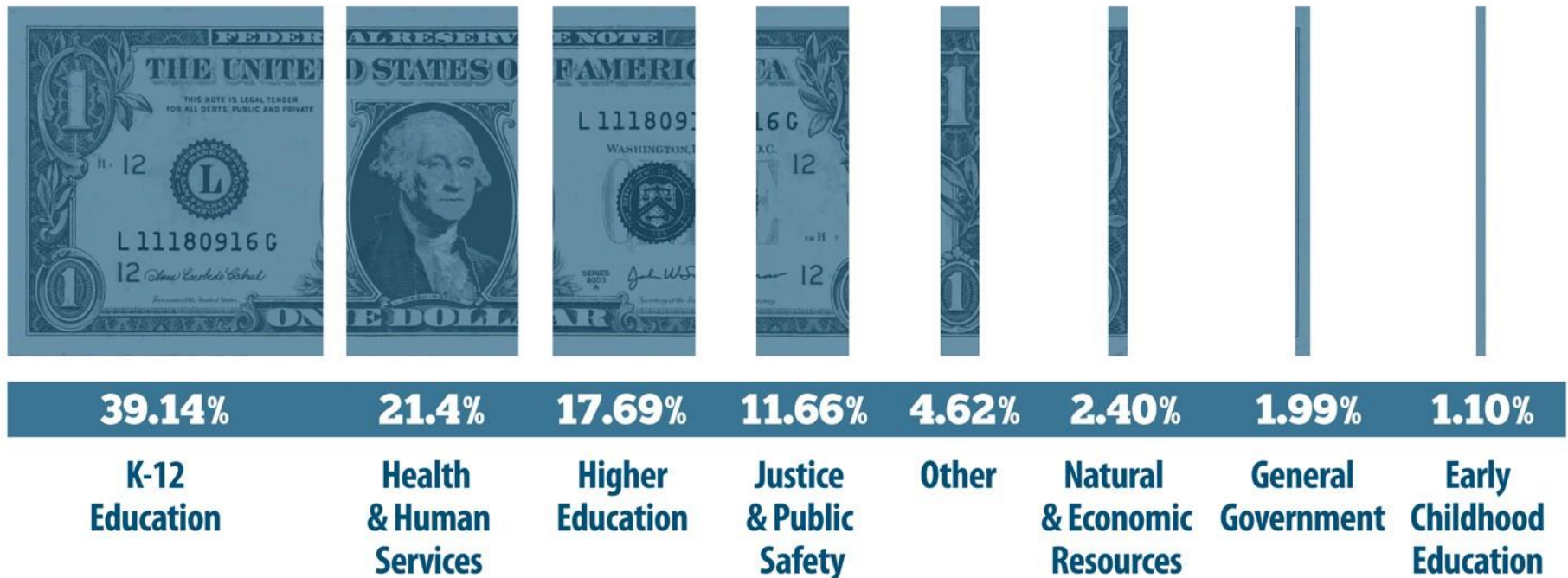
State

Lottery

Sources of Funding FY 2015-2016

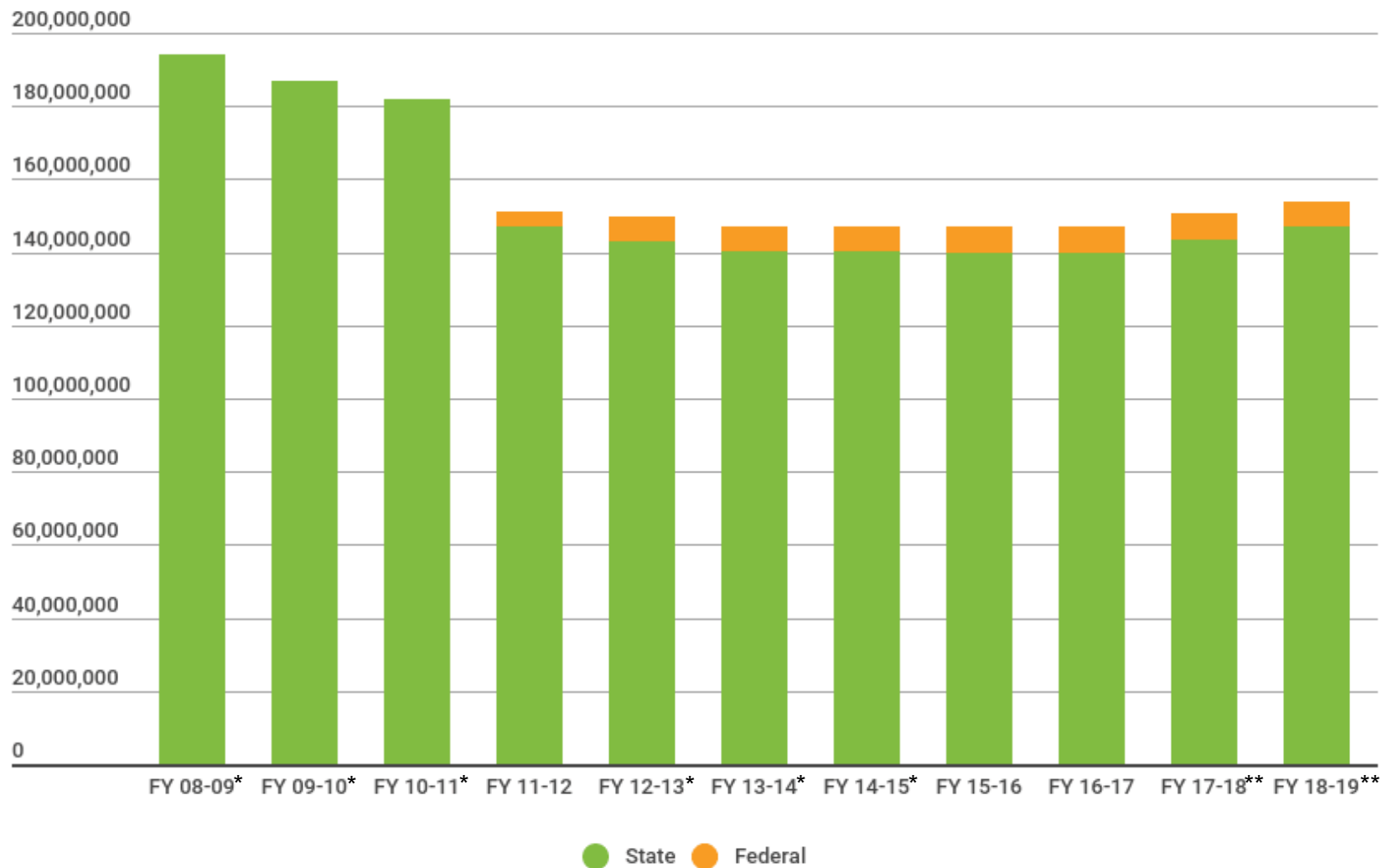


1 cent of every \$1 allocated in state budget goes to early childhood education.



Smart Start Funding History

(rounded to millions)

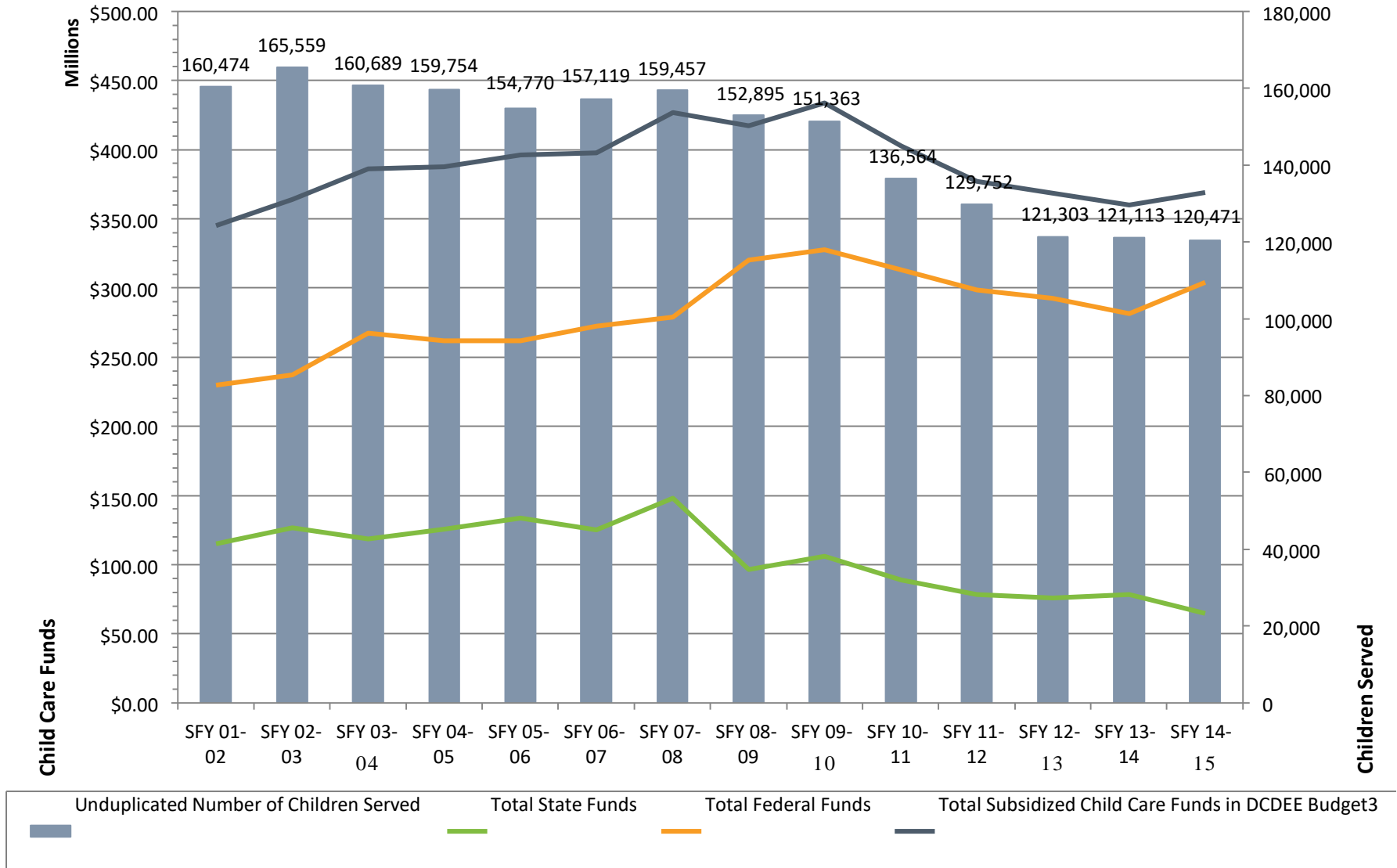


* The amount shown reflects mid-year cuts, and therefore is less than the amount appropriated by the General Assembly.

** Includes funding earmarked for Dolly Parton Imagination Library.

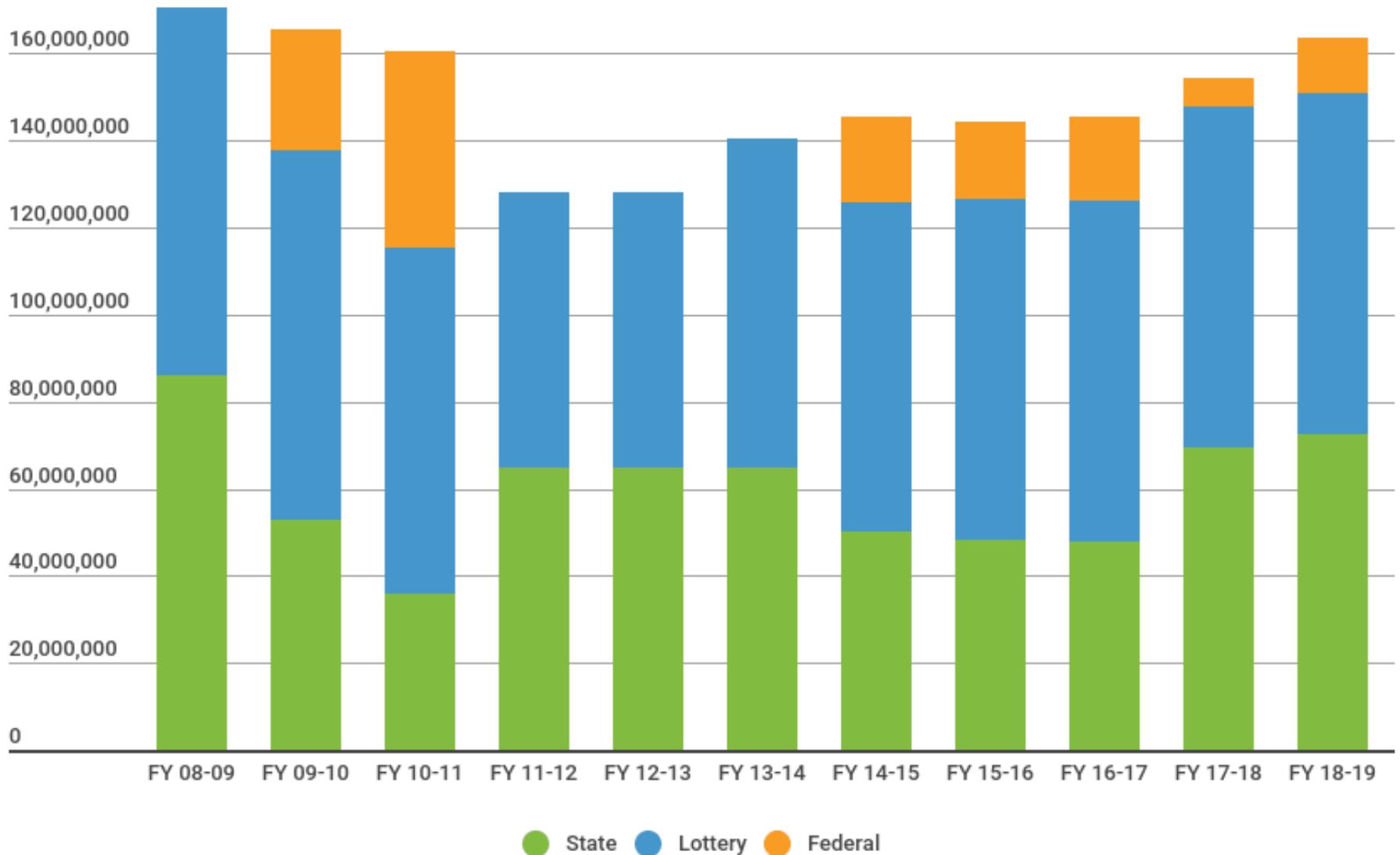
Child Care Subsidy Expenditure History

(includes subsidy paid for with Smart Start funding)



NC Pre-K Funding History

(rounded to millions)



So, Why Local Financing Now?

- Funding streams aren't keeping up with demand nor the research behind the scope of the need.
- Funding streams are volatile and can be narrow in purpose.
- Local communities are seeking tools to support working parents, close the skills gaps and boost 3rd grade reading proficiency.

Questions?



Does your local government invest in early childhood?

How?

THERE ARE ONLY 2,000 DAYS

Between when a Child is Born to Kindergarten



**Learn
more at
first2000days.org**

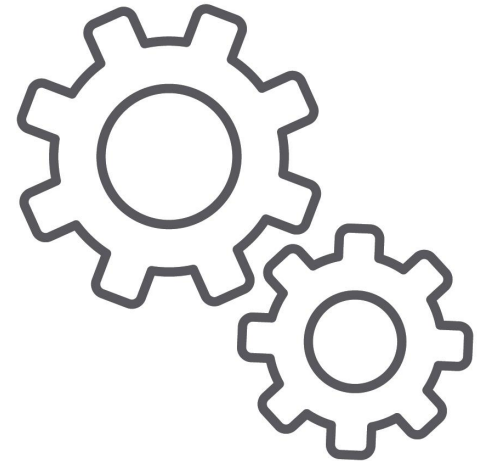
Authority Exists to Spend Local Dollars for Early Childhood

- ✓ Local governments have the authority to invest for the education and well-being of their citizens and for the economic development of their communities



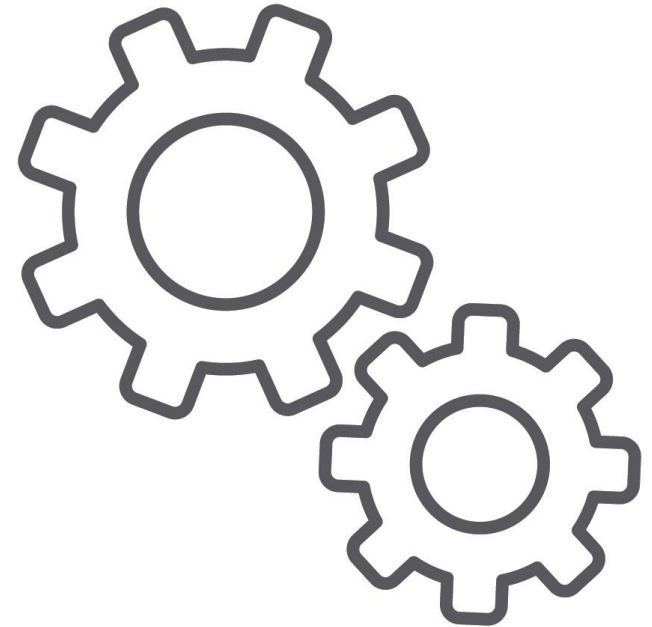
Tools To Raise Local Revenue for Early Childhood Exist Too

- ✓ Item in a municipal or county budget
- ✓ Bond for early childhood infrastructure
- ✓ Local sales tax
- ✓ Property tax



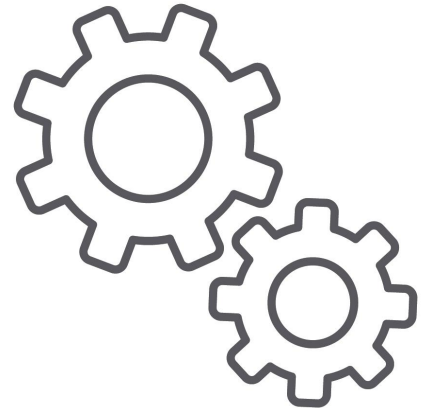
More Options

- Allocation of fees
- Participatory Budgeting



Emerging Ideas for Local Financing

- Prepared Meals tax
- Occupancy tax
- Special Taxing Districts
- Social Impact Bonds



Emerging Sources of Revenue



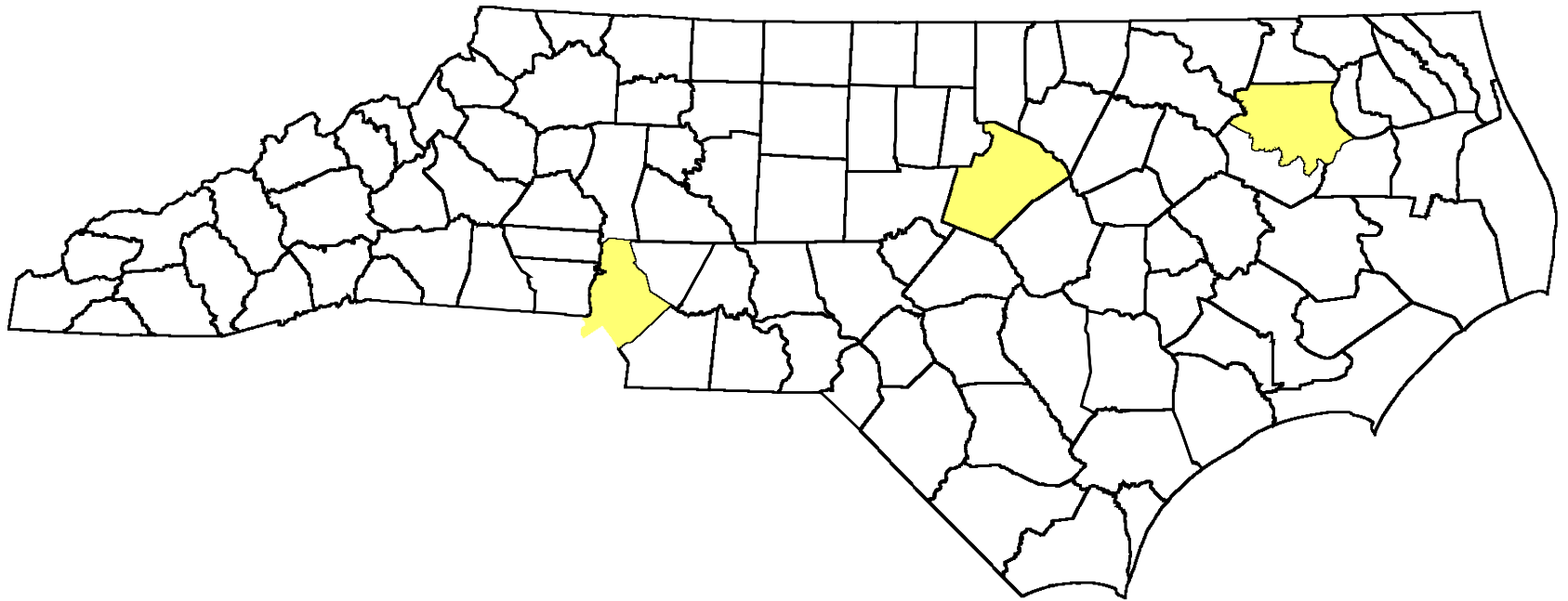
Wind energy farms generated **\$640,000 in revenue** to Pasquotank and Perquimans counties last year.



Assessing Funding Options

- Can this funding source be relied upon in the long-term?
- How would it be affected by an economic downturn?
- What other factors could influence its availability over time?
- Who pays for it?

Bright Spots in NC



Wake County

In 2015, 2016 and 2017 Wake County Board of Commissioners have increasingly invested in providing high quality prekindergarten for more four-year-olds. Funds are allocated through Smart Start.



Bertie County

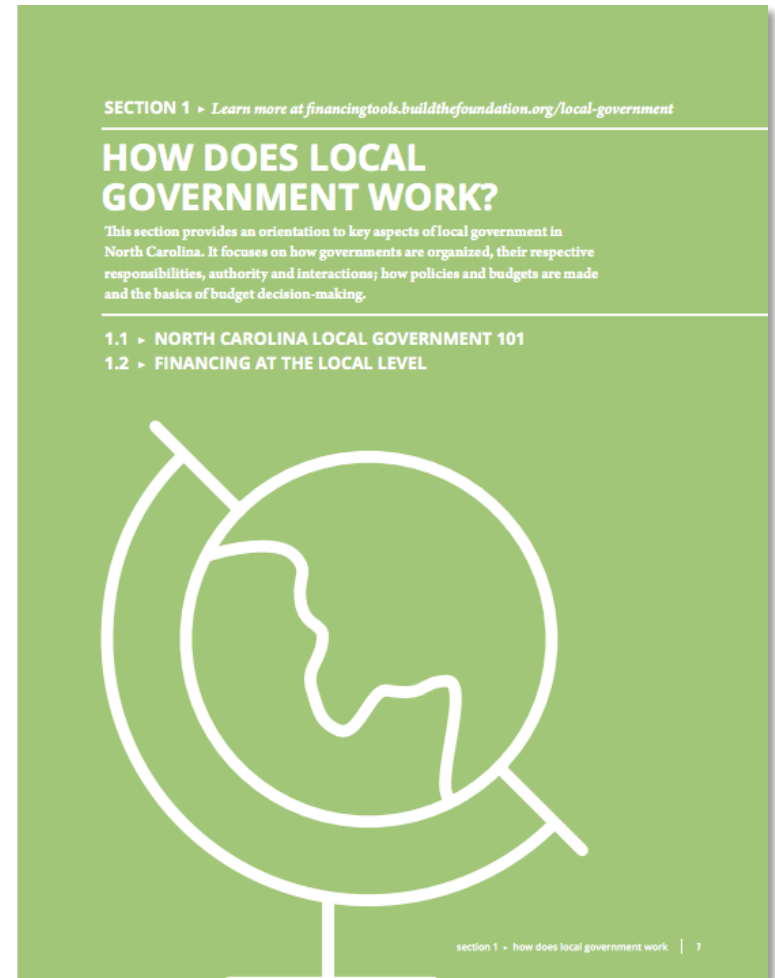
Since 2015 the Bertie County Commissioners have provided more than \$100,000 per year from the county budget to fund programs for children and families such as Better Beginnings for Bertie Children.



Section 1

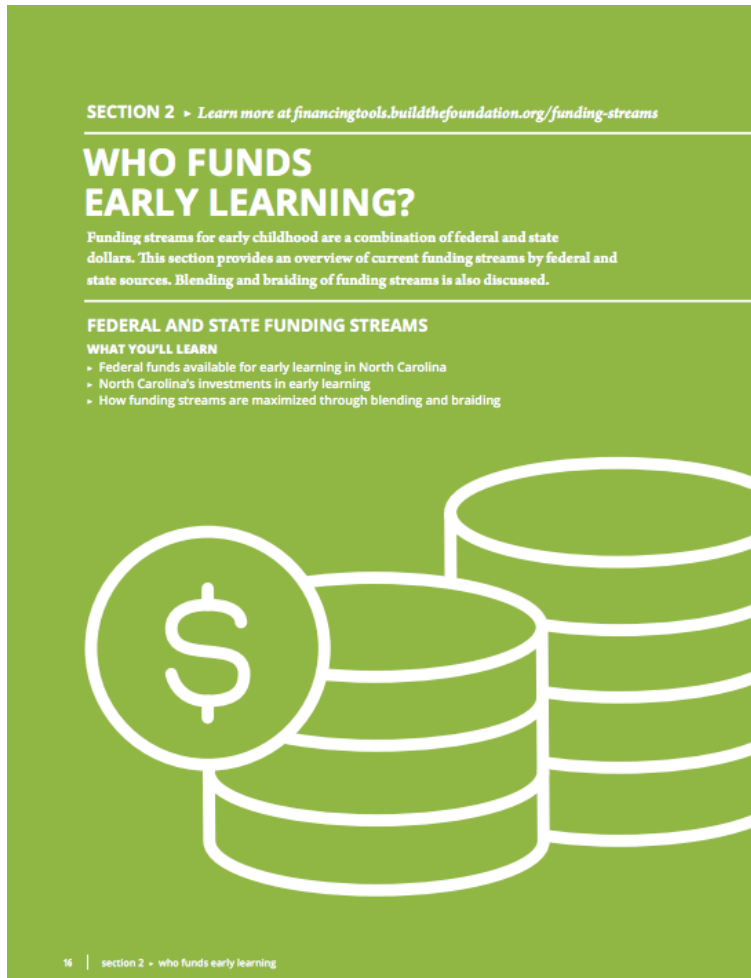
Local Government Primer

- Basics of local government
- Budget process
- For those of us that aren't experts



Section 2

Existing Funding Streams



- Federal Sources
- State Sources
- Maximizing Funding Streams

Section 3

Local Funding Opportunities

Local governments have the authority to invest for the education and well-being of their citizens and for the economic development of their communities.

SECTION 3 › *Learn more at financingtools.buildthefoundation.org/local-funding-options*

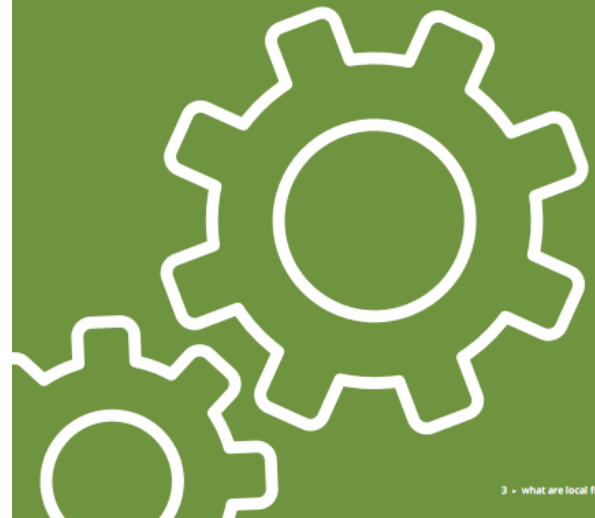
WHAT ARE LOCAL FUNDING OPTIONS?

There are a number of funding mechanisms available to local communities in North Carolina for early learning investments. This section provides a menu of options that are both currently available and those that could be available through state or local policy change. Details to assist toolkit users in assessing the options for their local context are included.

POTENTIAL FUNDING MECHANISMS

WHAT YOU'LL LEARN

- › The basics of local funding mechanisms
- › How to determine which funding mechanism is best for your community



Section 4

Case Studies



Wayzata, MN



Oregon



Colorado



Louisiana



Petal, MS



Wake County, NC



Miami-Dade County, FL

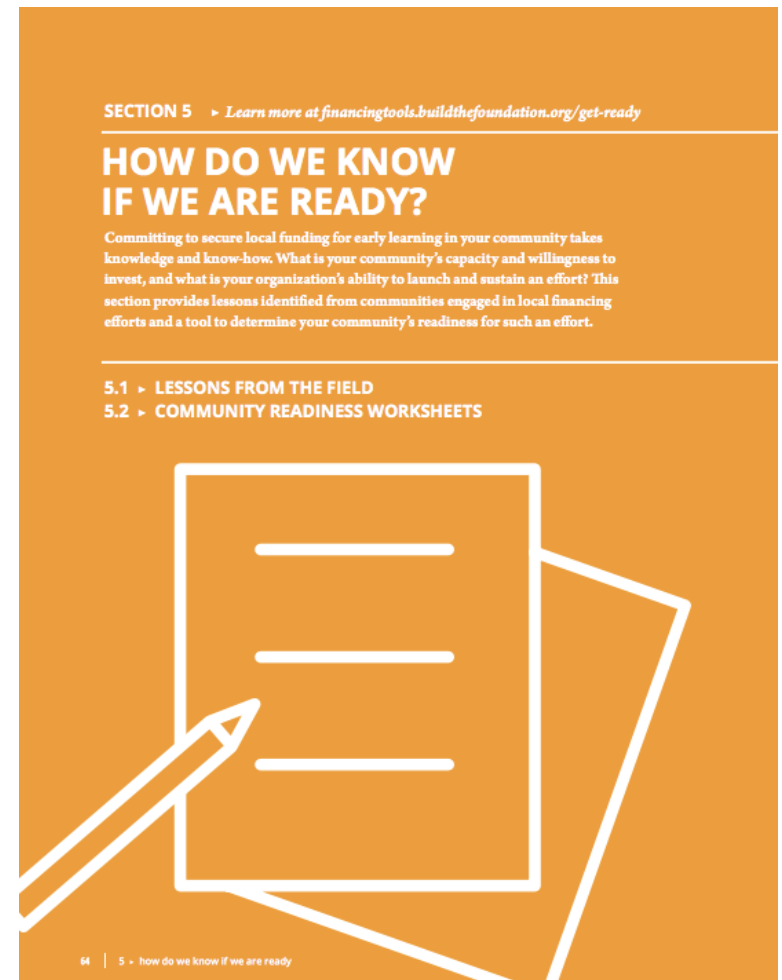


County of Salt Lake, UT

Section 5

Readiness Tools & Lessons from the Field

- Be specific about the measure
- Use data and stories to make the case
- Establish a sunset date
- Learn from failure



Visit our Website

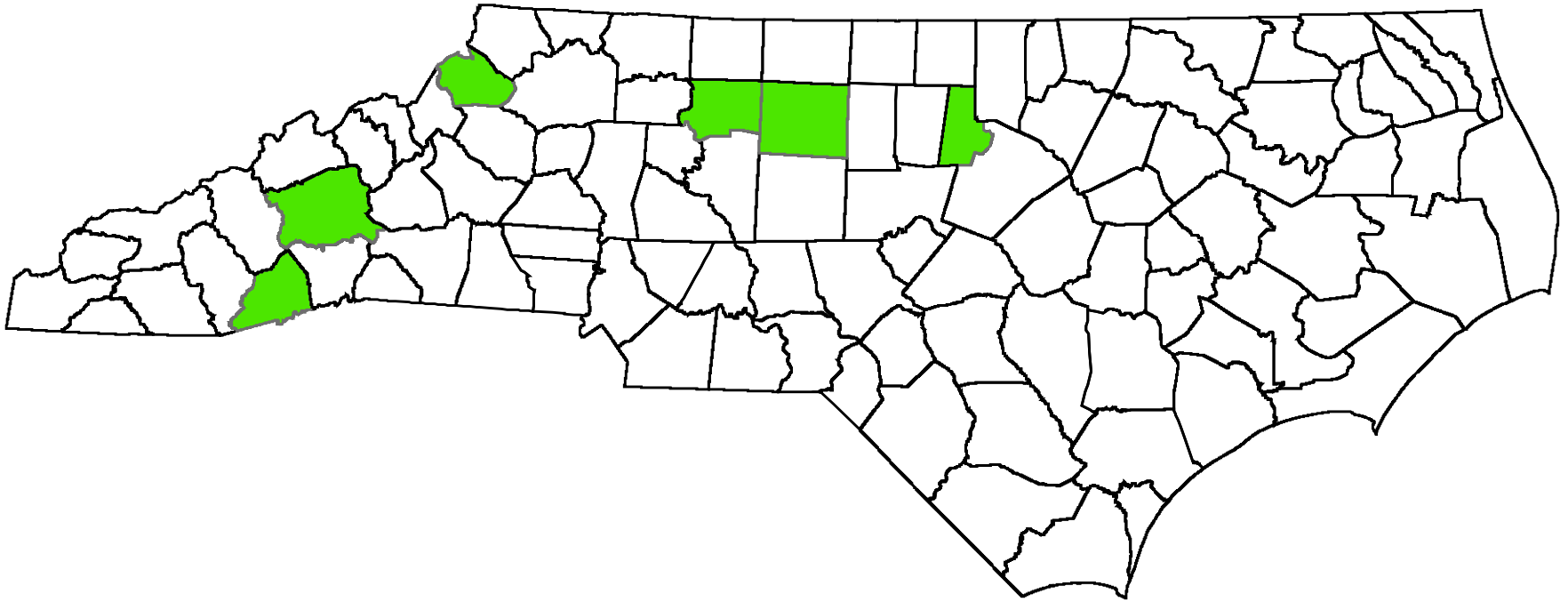
A background image showing a hand holding a small green plant that is growing out of a pile of coins. The image is slightly blurred and has a soft, pastel color palette.

Local Funding for Early Learning: A Community Toolkit

Local communities are powerful agents of change. Across the nation, towns, cities and counties are serving as hubs of innovation when it comes to early learning. In NC, early childhood investments have typically been funded with federal, state and lottery dollars. Local revenue streams offer another means to expand early learning in communities. This toolkit provides a first step in understanding local opportunities.

<http://financingtools.buildthefoundation.org/>

Emerging Leaders in Rural and Urban Counties



Questions?

