

LA
B to 3

FUNDING OUR FUTURE: LA B to 3
Louisiana's Early Childhood
Care and Education Commission

January 2019

VOTING MEMBERS:

| | |
|--------------------------|-------------------------|
| Sen. Regina Barrow | Anthony V. Ligi, Jr. |
| Maria Blanco | Keith Perrin, M.D. |
| Melanie Bronfin, J.D. | Paula Polito |
| Cade Brumley, Ed.D. | Abigail Iron Rope |
| Rep. Gary Carter | Monique Rouege |
| Linda Flynn, Ph.D. | Cindy Rushing |
| Dionne Frost | Monique Scott-Spaulding |
| Melissa Goudeau | Susan Spring, Ph.D. |
| Sherry Guarisco | Melissa Stilley |
| Theon Julien | Judy Thompson |
| Anthony C. “Buddy” Leach | Michael Tipton |
| Keith Leger, Ed.D. | Alan Young |

NON-VOTING MEMBERS:

| | |
|-------------------------------|----------------------|
| Jessica Baghian, J.D. | Gina Easterly, Ph.D. |
| Michelle Fazio-Brunson, Ph.D. | Donna Edwards |
| Toni Buxton | Stacey Neal |
| Laurie Carlton | Brenda Sharp |
| Susannah Craig, Ph.D. | ahree Wahid |
| Cynthia F. DiCarlo, Ph.D. | Charles Zeanah, M.D. |

Louisiana Department of Education’s Office of Early Childhood worked with the Commission’s legislative chairs to provide experts, resources, and presentations for five Commission meetings and three workgroups, held between August 2018 and January 2019. Every Commission meeting was open to the public and also available as a livestream. The video link and meeting agenda were posted according to the state’s open meetings law. Archived video links, agendas, and materials are publicly available on www.LouisianaBelieves.com.

The Commission’s meetings have consisted of national experts and local panelists who have shared research and practices in five key areas: access, quality, the early childhood marketplace, local governance and funding. Commission members and meeting attendees had the opportunity to learn from experts, ask questions, and offer public comment. National panelists represented the National Governors Association, the Education Commission of the States, the University of Virginia research partners, Opportunities Exchange, University of Virginia, Foresight Law and Policy, and Smart Start. Local experts included leaders from high-performing early childhood community networks.



Early Childhood Care and Education Commission EXECUTIVE SUMMARY

Louisiana is advancing a bold and ambitious early childhood care and education agenda to prepare young children for kindergarten and beyond, and to support our working families.

THE NEED IS SIGNIFICANT, AS IS THE RETURN ON INVESTMENT.

- ✓ **Many young children in need:** There are 173,000 children in need¹, birth to three years old, currently living in Louisiana.²
- ✓ **Many working families:** Two out of three children under the age of five have both parents or their single parent working.³
- ✓ **Few quality early care and education options:** A child's brain is 90 percent fully formed by age 5⁴. Yet, fewer than 7 percent of in need children birth to two years old and less than 33 percent of three year olds can access quality child care in Louisiana. Louisiana's economy lost \$1.1 billion due to absences related to child care breakdowns.⁵
- ✓ **Early care and education works: Significant research shows that for every \$1 invested in high quality early care, the state yields a \$7.30 return on investment.** Children who participate in high-quality early care and education programs are less likely to:
 - Require special education services, or be retained a grade in school
 - Dropout before high school graduation
 - Develop a chronic disease in adulthood or be engaged in the criminal justice system⁶

Due to inadequate funding, the current system cannot meet the need, particularly for children birth through three. This gap negatively impacts children's learning and their families' participation in Louisiana's workforce.

INVESTING IN A BETTER FUTURE

Louisiana is scraping the bottom of US maternal and early childhood health outcomes, and has decreased workforce productivity and economic competitiveness⁷. Without investment in early care and education, Louisiana can expect more of the same.

With investment in early care and education through LA B to 3, Louisiana will be transformed in one generation.⁸

The Commission recommends an investment of \$85.8 million to create LA B to 3, and an increase of nearly that amount annually over the next decade. State investment should launch this effort with expanded, combined funding (local, state, federal, philanthropy) thereafter.

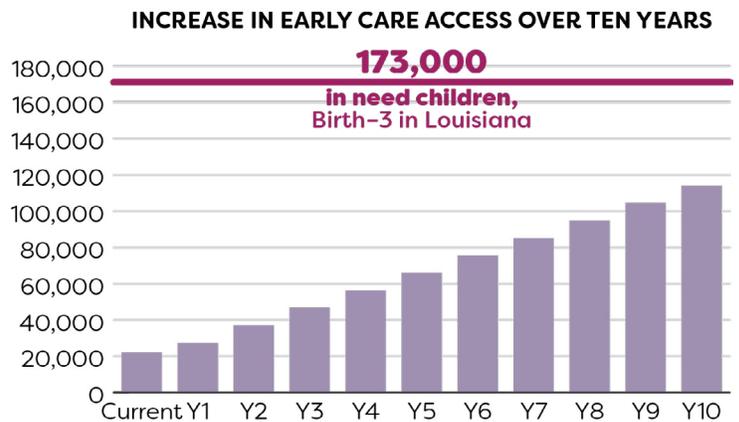
THE SOLUTION: LEARNING FROM LOUISIANA'S PRIOR SUCCESS

Louisiana created LA 4 and today 90% of four year olds in need have access to quality early learning.

- ✓ The impact on learning is already being seen in Louisiana: Longitudinal research on Louisiana's Pre-K⁹ students showed a decreased number of students repeating kindergarten, improving test scores, and reducing the need for special education placements.
- ✓ This investment occurred over 10 years so it was not an overnight success, but proves Louisiana can and has made these sizable, impactful investments.
- ✓ Louisiana needs to create LA B to 3, a commitment to serve children birth to three with the same high-quality care.

FUNDS WILL:

- ✓ Expand quality seats to serve 114,000 Louisiana children in need, prioritizing children birth through three, an increase from only 22,000 children in that age range served today and
- ✓ Strengthen resources for all families, regardless of need, that support nurturing relationships with young children.



WHAT CAN LOUISIANA'S POLICYMAKERS AND STATE PARTNERS DO TO ADDRESS THIS NEED?

- ✓ **Louisiana's future is tied to the success of its children. Commit to short- and long-term funding to implement LA B to 3.**

FOOTNOTES

- 1 The term “in need,” used throughout the report, refers to families living at 200% of the Federal Poverty Level which is \$20,780 per year for a family of three.
- 2 Department of Health. Retrieved from: <http://ldh.la.gov/index.cfm/page/398>
- 3 Kids Count. The Annie E. Casey Foundation. (2018) Retrieved from: <https://datacenter.kidscount.org/data/tables/5057-children-under-age-6-with-all-available-parents-in-the-labor-force?loc=20&loct=2#detailed/2/20/false/871,870,573,869,36,868,867,133,38,35/any/11472,11473>
- 4 First Things First. Retrieved from: <https://www.firstthingsfirst.org/early-childhood-matters/brain-development/>
- 5 Losing Ground: How Child Care Impacts Louisiana’s Workforce Productivity and the State Economy. Retrieved from: http://www.brylskicompany.com/uploads/1/7/4/0/17400267/losing_ground-1.pdf
- 6 Quantifying the Life-Cycle Benefits of a Prototypical Early Childhood Program. The National Bureau of Economic Research (NBER) Working Paper (2018). Retrieved from: www.nber.org/papers/w23479.pdf?sy=479
- 7 Kids Count. The Annie E. Casey Foundation. (2018). Retrieved from: <https://datacenter.kidscount.org/data/tables/5057-children-under-age-6-with-all-available-parents-in-the-labor-force?loc=20&loct=2#detailed/2/20/false/871,870,573,869,36,868,867,133,38,35/any/11472,11473>
- 8 Early Childhood Education: Quality and Access Payoff. James J. Heckman. Retrieved from: https://heckmanequation.org/www/assets/2017/01/F_Heckman_Moffitt_093016.pdf
- 9 Eighth-Grade Outcomes for LA 4 Cohort 1 Students. (2013). University of Louisiana at Lafayette. Technical brief

LOUISIANA'S EARLY CHILDHOOD CARE AND EDUCATION COMMISSION

Louisiana's Early Care and Education (ECE) has received national attention¹⁰ for its design and focus on: high expectations for children's achievement and progress; families who are able to choose the option best suited for their children; and knowledgeable, skilled teachers who continue to learn and grow throughout their careers. To bolster its multi-year effort to unify the state's early childhood system and improve kindergarten readiness, the legislature established the state-level Early Childhood Care and Education Commission (the Commission) through [Louisiana Act 639](#) (2018). The legislation calls on the Commission to develop a vision and plan to address affordable access to high-quality early childhood education for Louisiana's children, birth through age four, and formalize the local governance structures (community networks) to support increased innovation in local contexts, ultimately leading to improved quality and access to funding. The Commission was tasked with building on the system's strengths and addressing current gaps, including access, quality, stable early childhood workforce, funding, family resources, and locally-driven decision making. More [discussion on these gaps](#) is included on page 8.

The Commission's work builds upon the state's progress to provide high-quality early care to thousands of in need Louisiana families who are unable to access quality options.

GLOSSARY

In need: 200% federal poverty limit, which is \$42,660 annually for a family of 3

ECE: Early Care and Education programs that serve children birth through four.

Community Networks: Local hubs where early care and education functions are coordinated across programs.

Quality: The level of emotional and instructional support a child receives from a qualified teacher in a well-organized classroom.

The Commission's appointees consist of providers, advocates, government officials, and community members. The Commission is co-chaired by Senator Beth Mizell, Louisiana State Senator for District 12, and Representative Stephanie Hilferty, Louisiana State Representative for District 94. Other members include the First Lady of Louisiana and gubernatorial appointees.

Between August 2018 and January 2019, Commission members participated in the following activities to develop a vision and plan for early childhood:

- (1) Gather and analyze data relative to the current availability, quality, and cost of early childhood care and education throughout the state for children from birth through age four, determine needs and priorities, and develop a plan focused on family access, affordability, and quality.
- (2) Consider research, local coordination currently established in Louisiana including current high-performing community networks, and related work done in other states to determine best practices for the purpose of informing and fostering the continued development of local governing entities that coordinate across programs and providers in order to meet family needs, drive quality improvement, maximize financial resources, and support children from birth through age four and their families.
- (3) Determine a sustainable infrastructure to ensure quality programs across providers. Such infrastructure shall include workforce and professional development, monitoring and assessment, coordinated enrollment, and data-informed decision making.
- (4) Identify opportunities for collaboration and coordination among programs and agencies responsible for development of children from birth through age four.
- (5) Define a timeframe for achieving the vision and benchmarks for the intervening years.
- (6) Determine the amount of funding needed to achieve affordable access to quality care and education for all children from birth through age four and recommend policies that prioritize the allocation of future funding.

Commission meetings were guided by a variety of presenters and speakers, including local community network leaders and national experts representing the National Governors Association, the National Conference of State Legislatures, the Education Commission of the States, The University of Virginia, Opportunity Exchange, Foresight Law + Policy, Smart Start, and the National Institute for Early Education Research. These experts emphasized several key messages:

- ✓ Birth to five is a critical time in a child's development, and the quality of interactions matters.
- ✓ Louisiana's early education system is well-established, though its potential is limited by the dire need for increased access for infants through three year olds.
- ✓ State investment yields a high return, and there are regional and national examples of early childhood education as a funding priority.

I wasn't always on board with Pre-K. But once I walked into a classroom and saw smiling children with books in their hands, it all clicked. Reading to them, having them comprehend the story showed me the value of early education.

*-Darrell Fairburn, Superintendent,
Washington Parish Schools*

¹⁰ New America. Lessons from the Bayou State: Three Reforms for Improving Teaching and Learning. (2018). Retrieved from: <https://www.newamerica.org/education-policy/reports/lessons-louisianas-early-childhood-system/>

LOUISIANA'S TRACK RECORD OF SUCCESS

Since 2012¹¹, Louisiana has been building its nationally-recognized¹² approach to unifying a fragmented ECE system. The system focuses on the quality of teacher-child interactions as a key driver to positive, lifelong outcomes for children. Sixty-five community networks implement this system locally, through classroom observations, coordinated funding for allocated seats, and coordinated enrollment. The state leads improvement efforts by reporting performance data and analysis, funding local and statewide supports, and creating initiatives that improve quality. More about Louisiana's system in [Appendix A](#).

Louisiana has also achieved great success in providing quality, affordable early care and education to four year olds. Today, over 90 percent of Louisiana's four year olds in need can access a full-day Pre-K program, and almost all of these programs have the structural components that promote quality, such as certified teachers and low teacher-child ratios.¹³ This is a great achievement for Louisiana.

However, serving this high number of four year-olds was achieved over many years, through numerous funding sources, and through the leadership and persistence of policy makers at both the state and local levels.

LA 4, the state's largest program for four year olds, was established in 2001 and serves approximately 16,000 children annually. Although state funding for this program reached a peak (\$82 million) in the 2008-2009 school year, LA 4 has been sustained with majority federal funds. As LA 4 and other programs have yielded significant developmental and educational results for four year olds, superintendents, local leaders, and the state board of education expanded funding options to support Pre-K (through Title I and state block grants). In 2018, Louisiana achieved more than 90 percent access for four year olds through multiple programs that are aligned in a common quality rating system.

Starting kindergarten without Pre-K is like starting 10 yards behind in a 100-yard dash.

-Superintendent Cecil B. Picard, LA 4 founder, former state superintendent of education, former state Representative and state Senator

EXPAND PRE-K SUCCESS TO LOUISIANA'S YOUNGER CHILDREN

Louisiana now needs to expand early care and education for children birth through age three, which will provide high quality experiences for Louisiana's children during the most critical time of brain development.¹⁴ It will also allow working parents, who need access to high quality early care, to fuel Louisiana's expanding economy. While two thirds of children¹⁵ need quality care during their family's work hours, the cost is as much as a public college tuition.¹⁶

The Child Care Association of Louisiana is excited about the bold steps that we are taking to ensure that our in need children birth to 3-year-old will have a high quality early care and education experience.

-Alan Young, CCAL and ECE Advisory Member

A VISION FOR THE FUTURE OF EARLY CARE AND EDUCATION IN LOUISIANA

EARLY CHILDHOOD CARE AND EDUCATION COMMISSION VISION: Every child in Louisiana has an equal opportunity to a quality foundation that will prepare them to grow, learn, and succeed.

To ensure the Commission's vision for the future of early care and education in Louisiana, a commitment to families of young children is needed to:

- ✓ maintain and increase current availability of seats;
- ✓ maintain and increase the quality of seats;
- ✓ increase the subsidy rates to ensure families can access quality care all across the state, particularly for infants and toddlers; and
- ✓ increase resources for all families.

This will require significant state investment.

A sophisticated analysis of over 20 Pre-K programs for disadvantaged children demonstrated that quality Pre-K returned an average 'profit' (economic benefits minus costs) to society of nearly \$30,000 for every child served by cutting crime and the cost of incarceration and reducing other costs such as special education and grade retention.¹⁷

-Fight Crime, Invest in Kids, 2016

11 Louisiana Early Childhood Act in 2012, also known as Act 3, established a structure for the state's early childhood system.

12 Creating an Integrated Efficient Early Care and Education System to Support Children and Families: A State-by-State Analysis, Bipartisan Policy Center. (2018). Retrieved from: <https://bipartisanpolicy.org/library/ece-administration-state-by-state/>

13 National Institute of Early Education Research. Retrieved from: http://nieer.org/wp-content/uploads/2018/04/Louisiana_YB2017.pdf

14 Harvard Center for the Developing Child. Retrieved from: <https://developingchild.harvard.edu/science/key-concepts/>

15 Kids Count. The Annie E. Casey Foundation. Retrieved from: <https://datacenter.kidscount.org/data/tables/5057-children-under-age-6-with-all-available-parents-in-the-labor-force?loc=20&loct=2#detailed/2/20/false/871,870,573,869,36,868,867,133,38,35/any/11472,11473>

16 Parents and the High Cost of Child Care. Child Care Aware. Retrieved from: http://usa.childcareaware.org/wp-content/uploads/2017/12/2017_CCA_High_Cost_Report_FINAL.pdf

17 Preschool Key to Cutting Louisiana Prison Bill and Boosting School Success. (2016). Fight Crime: Invest in Kids.

RECOMMENDATION FOR LEGISLATIVE ACTION

Louisiana will be transformed in one generation if the state invests in the care and education of its youngest children. **The Commission recommends an initial state investment of \$85.8 million to begin LA B to 3, and an increase of nearly that amount each year over ten years.**

State investment should launch this effort, with expanded, combined funding (local, state, federal, philanthropy) thereafter.

- ✓ Initial funding of \$85.8 million (a) provides service for an additional 5,520 children awaiting seats, thereby clearing the current waitlist, (b) raises subsidies to market level for current seats to ensure seats are accessible, and (c) continues access for ~800 four-year-olds served through an expiring grant.
- ✓ Each year, for an additional nine years, ~9,630 children will be added, ultimately reaching 92,000 additional children served over ten years. Funds will increase access, quality, and affordability of ECE to significantly bolster children's readiness for kindergarten.
- ✓ An additional million annually will expand family support services for children birth through age four statewide.

| LA B to 3 | | | |
|----------------------------|--|--|----------------|
| Outcome | Output After Ten Years | Initial State Investment | Total Funding |
| Access | Expand access from 22,000 to 114,000 additional children, ages birth to three. | \$78.1 M › Funds access for eligible children sitting on the waitlist as well as authorized children awaiting service › Funds expiring federal program to continue service for 800 children at the LA 4 rate › Ensures minimally-adequate rate for children currently served via CCAP | \$771 M |
| Ensuring quality | Support quality, measurement, professional development and coordination for expanded service providers and classrooms. | \$6.7 M | \$67 M |
| Supporting families | Increase evidence-based, voluntary family support services ¹⁸ | \$1 M | \$1 M |
| Total Allocation | | \$85.8 M | \$839 M |

Note: Louisiana's current CCAP rate funds seats below the 25th percentile of the Louisiana early learning center market rate, meaning that it subsidizes access to less than 25 percent of available seats statewide. Recent Louisiana data on utilization of funding indicates that these low rates are negatively impacting families' ability to access services because they cannot afford to pay the difference between the seat funding received and the amount charged by the provider. This leaves parents who are working or in school without access to early care options thereby impacting Louisiana's workforce.

Recently the federal Department of Health and Human Hospitals has flagged Louisiana's funding rates as unacceptably low. The figures above raise conservatively the Louisiana rate for children currently served via CCAP, as well as fund the current children on the waitlist to address this issue.

The cost to address the waitlist at the current, low CCAP rate and to continue seats funded by an expiring grant is \$40.3 million; however, funding the current waitlist seats below the 25th percentile rate will not meet the Commission's goals for increasing access for children and families in need, nor support a more productive workforce. The full allocation is need to address the challenge. See Appendix C for a more detailed budget.

I do want to give my sincere thanks to this program. If it were not for CCAP, I would not have been able to afford as a single mother. The school my son has been able to attend has been WONDERFUL! I could not have done it without CCAP. Because of this program, I am now more than halfway finished my college degree, and I have a fantastic and stable job with benefits.

-Breana Olivier Batton, parent

¹⁸ Early Childhood Risk and Reach in Louisiana. (2016) Retrieved from: http://ldh.la.gov/assets/oph/Center-PHCH/Center-PH/maternal/RiskandReach_Report.pdf

Through LA B to 3, Louisiana expects the following outcomes:

| Outcome | Current State | Result of Investment |
|------------------|--|---|
| Access | <p>Only 7 percent of in need children birth through two years old and 33 percent of in-need three year olds have access to care, as compared to 90 percent of four year old children in need.</p> <p>There are limited available options for families because of the high cost of care and low reimbursement rates.</p> <p>Decreased state investment in the Assistance Program has led to more than a 50 percent decline in the number of children served since 2008. The waitlist for subsidized care is typically 5,000 families. The difference between the current Assistance Program (CCAP) reimbursement rate and the market rate for care can make even subsidized seats out of reach for Louisiana families, particularly for infants and toddlers. One in five children authorized for service is consistently under-utilizing the subsidy for care.</p> | <p>The recommended legislative action increases the percentage of birth through three year old children served from 13 percent to 66 percent.</p> |
| Quality | <p>High quality early learning programs are too limited in number and cost is a barrier for families. While Louisiana has seen significant improvement in the quality of care since the inception of the state's unified rating system, too many in-need children, particularly those at younger ages, are served in seats that are not fully preparing them for kindergarten and beyond.</p> | <p>Louisiana has established an early care and education system that is increasing the quality of experiences children are having through multiple levers: a focus on the quality of teacher-child interactions, credential requirements for teachers with high-quality pathways to achieve those requirements, and a community-led focus on improving birth through four offerings. As the number of children served increases, quality supports will scale.</p> <p>Resources that improve quality for all early learning programs will be made more accessible.</p> |
| Workforce | <p>Two thirds of Louisiana's parents¹⁹ that work outside of the home include children birth through age five who require quality early care. However, these costs are almost as much as a public college tuition.²⁰</p> <p>The early care and education workforce is critical to quality, but poorly compensated. Professionals are paid a low wage, earning less than half of what school-based four year old teachers make, and typically with no benefits.²¹ This contributes to high turnover (~45 percent²²), which significantly affects quality of care for children. Of note, Louisiana's School Readiness Tax Credits are an effective approach that increases compensation and retention for early learning teachers and directors.²³</p> | <p>State funding stabilizes early childhood meaning greater reliability for parents and higher compensation of the early childhood care and education workforce.</p> |

19 Kids Count Data. (2018). The Annie E. Casey Foundation. Retrieved from: <https://datacenter.kidscount.org/data/tables/5057-children-under-age-6-with-all-available-parents-in-the-labor-force?loc=20&loct=2#detailed/2/20/false/871,870,573,869,36,868,867,133,38,35/any/11472,11473>

20 Parents and the High Cost of Child Care. Child Care Aware (2017). Retrieved from: http://usa.childcareaware.org/wp-content/uploads/2017/12/2017_CCA_High_Cost_Report_FINAL.pdf

21 Troubling Pay Gap for Early Childhood Teachers. U.S. Department of Education. (2016). Retrieved from: <https://www.ed.gov/news/press-releases/fact-sheet-troubling-pay-gap-early-childhood-teachers>

22 Louisiana Market Rate Survey. Louisiana Department of Education. (2014). Retrieved from: <http://www.louisianabelieves.com/docs/default-source/early-childhood/louisiana-child-care-market-rate-survey---2014.pdf?sfvrsn=4>

23 Most Early Care and Education Retention Programs Share Common Elements. Retrieved from <https://www.childtrends.org/most-early-care-and-education-retention-programs-share-common-elements>

| Outcome | Current State | Result of Investment |
|-----------------------------|---|---|
| Family Resources | Families are a child's first and best teachers. Families in Louisiana could benefit from additional knowledge, resources, and support to raise healthy, thriving children. Examples of programs include the home visiting, mental health consultation, and parenting tools for healthy development. This is particularly important for families in rural areas where there are few resources available. | Funding expands voluntary, evidence-based programs that provide knowledge, skills, and support for families of young children not enrolled in formal prog . |
| Funding | Best practices in early childhood funding include state funding, as well as diverse revenue streams. Louisiana's current ECE structure relies heavily on federal dollars (nearly 90 percent) and limited state funds. | Initial state investment will launch a diversification of funds, including a combination of state appropriations, local revenue raising, philanthropy, and other partnerships over ten years. An Appendix to this report includes approaches for raising revenue, as successfully completed in other cities and states. |
| Cost of Quality Care | Louisiana's subsidy rates are well below what centers charge, meaning in need families are required to make up the difference. The average annual rate for infant-toddler care is \$7656 a year ²⁴ . This amount is out of reach for in need families and the rate does not fully reflect the high costs of quality to providers. | The subsidy rate – a conservative increase to the current, low rates included in the legislative recommendation – must be closer to the actual cost of care than current rates, particularly for infants and toddlers. Adequate funding per child ensures families can access the service and teacher compensation can improve. |

24 Louisiana Child Care Market Rate Survey. Louisiana Department of Education. (2014), Retrieved from: <http://www.louisianabelieves.com/docs/default-source/early-childhood/louisiana-child-care-market-rate-survey---2014.pdf?sfvrsn=4>

FUTURE ACTIONS FOR THE COMMISSION

Louisiana must continue to strengthen access, quality, affordability, and local decision-making governance in Louisiana's ECE system. In 2019, the Commission will receive reports from the Louisiana Department of Education on the use of any new funds, and study the following areas through its meetings:

- 1. Locally-driven decision making:** The Commission will study the [Ready Start pilots](#) where (a) the community establishes a formal local governance structure for shared decision making, (b) continually measures the need for affordable access and available resources and services for children ages birth through four, (c) identifies and maximizes resources for access and quality among early learning programs and (d) determines how future dollars should be spent to improve access and quality. Lessons learned from these pilots will inform future recommendations from the Commission.
 - **IMPACT:** Ready Start pilots develop local plans to drive local improvement, informing statewide strategies for growth in access and quality.
- 2. Quality:** Healthy development is dependent on physical and mental health, as well as positive adult-child relationships. The Commission will study promising practices in evidence-based programs that provide guidance and assist families, particularly for infants and toddlers. Investments should be made in the most effective and impactful programs.
 - **IMPACT:** More children will have higher quality early learning experiences providing a greater ROI for the State and better outcomes for children and families
- 3. Affordability and Access:** Early learning programs primarily serve children birth through four, and face particular challenges due to their size and administrative capacity. The Commission will study best practices, such as shared services, to maximize investments and ensure providers stay in business, while maintaining affordability for families.
 - **IMPACT:** Early care and education providers will stay in business, providing consistency for parents, caregivers, children, and those teachers and staff employed by the provider. By extension, business will have more reliable work force.
- 4. Public Awareness and Collaboration:** The state needs to lead on funding quality early care and education. However, the Commission's goals cannot be reached with state dollars alone; in order to be stable, long-term, and achievable, LA B to 3 must be comprised of local, federal, philanthropic, and public-private partnership funds. Additionally, public awareness of the impact of early care is necessary to achieve necessary scale of quality services across the state. The Commission will identify opportunities for greater collaboration between and coordinated communication from stakeholder groups—state agencies, business and industry, workforce development, philanthropy—to sustain the effort.
 - **IMPACT:** Louisiana's citizens will understand how critical the early childhood period is in child development. Increased citizen engagement will drive additional sources of revenue to be dedicated to early care and education.

All of us, the state, local municipal governments, NGOs and business leaders have a role to play in making high quality early care and education accessible to ALL children. Our economic future depends upon this increased investment and by working together we will get this done.

-Charmaine Cacciopi, Executive Vice President and COO, United Way of Southeast Louisiana

Louisiana's future is tied to the success of its children. When implemented, LA B to 3 will benefit all residents in a single generation.

- ✓ Young children are healthier and better prepared for kindergarten, and equipped for life.
- ✓ Families have tools and resources to provide their children with a strong foundation for their future.
- ✓ Businesses and employers can rely on productive employees, and will reap the benefits of a well-cared for and well-educated workforce in the next generation.
- ✓ All taxpayers and communities benefit because an investment in early childhood reduces spending in future years, including strengthening the state's other educational investments, from elementary to higher education.

Many policy makers have come to understand the critical importance of early care and education for our working parents and for our children, and have stated they think it should be a top priority. However, at the end of the day, our state budget is our ultimate policy document, and we are spending less than one-half of one percent of our state general funds on ECE. If we truly think this is important, then we must fund it.

-Melanie Bronfin, Louisiana Policy Institute for Children

APPENDIX A: BACKGROUND ON LOUISIANA’S EARLY CHILDHOOD SYSTEM

To address a fragmented early childhood system that prepared only about half of its children for kindergarten, the Louisiana State Legislature unanimously enacted the Early Childhood Education Act of 2012 ([Act 3](#)), which sought to have all children in publicly-funded early childhood programs on track for success in school. As required by Act 3, BESE established the statewide early childhood network and expectations for coordinated observations and coordinated enrollment in administrative code ([Bulletin 140](#)). By unifying early childhood programs into local community networks that make up the statewide early childhood network, Louisiana is able to coordinate delivery models and funding streams such that more economically disadvantaged children access high-quality opportunities. A lead agency in each community is responsible for coordinating enrollment and measuring the quality of the publicly-funded centers, school-based pre-K, and Head Starts that serve economically disadvantaged children.

Since the passage of Act 3, Louisiana has made significant strides toward realizing the vision that all children are prepared when they enter Kindergarten:

- ✓ **A Common Measure of Success:** A unified rating system for all program types serving children birth to five that evaluates the quality of teacher-child interactions using CLASS®.
 - › More than 75% of publicly-funded early childhood sites scored Proficient or above, the state’s threshold of quality, in 2017-2018, which is up from 62% in 2015-2016.
- ✓ **Informed Families:** A website with readily available, easy-to-understand data on program quality to guide families’ decisions.
 - › In fall 2018, Performance Profiles for more than 1,500 sites across the state were publicly released via the state’s new [School and Center Finder](#) online tool, a family-focused interactive website, and the first of its kind nationally.
- ✓ **Certified Teachers:** An ancillary certificate designed especially to prepare Louisiana’s educators.
 - › An ancillary certificate was designed to prepare Louisiana’s educators. Since 2014, more than 5,000 previously uncertified individuals have earned the [Early Childhood Ancillary Certificate](#). Since 2014, Louisiana has established 22 teacher preparation programs, accessible through scholarship funds.
- ✓ **Workforce Support:** A School Readiness Tax Credit that incentivizes teacher retention and community investment.
 - › [The tax credit innovation](#) helps address critical challenges with early care and education compensation.
- ✓ **Local Implementation:** Community networks drive improvement of quality and access at the local level.
 - › In the fall of 2018, community-led efforts resulted in the coordinated enrollment of nearly sixty thousand publicly-funded full day seats and in more than 5,500 classrooms receiving local CLASS® observations conducted by trained and certified observers.

Louisiana’s comprehensive structure provides support and accountability to strengthen existing early childhood investments while reinforcing quality.

FROM A 2018 NEW AMERICA REPORT: “Louisiana policymakers have enacted multiple reforms to strengthen the state’s early childhood education workforce, with a strong focus on infant and toddler teachers. Their goals have been ambitious while remaining realistic about available resources and the starting place of the workforce. Their efforts are coordinated toward creating more consistent high-quality ECE experiences for all children from birth to age five.”

APPENDIX B: THE COMMISSION'S GUIDING PRINCIPLES FOR EARLY CHILDHOOD EDUCATION

Expert testimony anchored the Commission's perspective, informing these guiding principles to provide a framework for the recommendations.

1. **CRITICAL.** Quality interactions in the early years are **critical** to the development of children's intellectual, physical, and mental health, and matter for a lifetime. **Louisiana's future is tied to a strong start for children.**
2. **COST-EFFECTIVE.** High-quality early care and education that begins at birth must be a long-term, stable investment because it **reduces future spending and yields results in school and well into adulthood.**
3. **ACCESSIBLE.** Families who want and need quality care for young children have limited choices. **Creating more options for children birth through four is essential to supporting Louisiana's families** who want to work.
4. **STATE SUPPORTED, LOCALLY LED.** Common measures of success provide the framework for Louisiana's nationally-recognized, unified system of publicly-funded early childhood providers. The quality of programs and opportunities for access are improving. With a formal structure and increased authority, **local leaders can respond to the needs of families in their communities by securing investments to drive improvements and expand service options** for Louisiana's youngest learners.
5. **VALUABLE.** Early learning **providers and teachers contribute an essential community service** that supports Louisiana's workforce. The current economics of the early learning sector make efforts to build and sustain quality challenging and inefficient.

APPENDIX C: DETAILED BUDGET OF LEGISLATIVE RECOMMENDATION- FUNDING LA B TO 3

| Outcome | Output | Initial State Investment | Year 10 Funding | Rationale |
|----------------------------|--|--------------------------|-----------------|--|
| Access | Expand access to 114,000 additional children, ages birth to three. | \$78.1 M | \$771 M | <p>B-3 cohort in need of care and unserved: 92,000</p> <p>Cost of 92,000 seats at 75th Percentile Market Rate:</p> <ul style="list-style-type: none"> > Infants: \$8,250 > Toddlers: \$7,920 > Threes: \$7,656 > Total: 737M > Average per child cost: \$7994.88 <p>In initial investment, cost to fund 5520 children awaiting seats (authorized and waitlist): 44.1M</p> <p>In other years, cost to add 9,630 children each year: 77M</p> <p>Cost to increase funded seats from minimally-adequate rate:</p> <ul style="list-style-type: none"> > Infants and Toddlers: \$5,940 > Threes: \$5,676 > Total: 30M <p>Cost to continue expiring grant:</p> <ul style="list-style-type: none"> > 800 seats at the LA 4 rate (\$4580) > Total: 4M |
| Quality | Support quality, measurement, professional development and coordination for expanded service providers and classrooms. | \$6.7 M | \$67 M | <p>Costs for infrastructure that support quality including:</p> <ul style="list-style-type: none"> > Community network infrastructure > Observations of quality > Professional development, training, and job-embedded coaching > Mental Health coaching > Scholarships for required teacher credentials > Curriculum and other resources |
| Supporting families | Increase voluntary, evidence-based resources and supports for parents. | \$1 M | \$1 M | <p>The commission will expand resources like:</p> <ul style="list-style-type: none"> > Home visitation > Mental health consultation > Parenting tools for healthy development |
| Total Allocation | | \$85.8 M | \$839 M | |

APPENDIX D: RESOURCES ON THE IMPORTANCE OF EARLY CHILDHOOD ON BRAIN DEVELOPMENT

Harvard University Center on the Developing Child:

<http://developingchild.harvard.edu/>

The Science of Early Childhood Development (Harvard):

http://developingchild.harvard.edu/resources/reports_and_working_papers/science_of_early_childhood_development/

30 Million Word Gap:

<http://centerforeducation.rice.edu/slc/LS/30MillionWordGap.html>

From Neurons to Neighborhoods:

http://www.nap.edu/catalog.php?record_id=9824

Meaningful Differences in the Everyday Experiences of Young American Children:

http://www.strategiesforchildren.org/eea/6research_summaries/05_MeaningfulDifferences.pdf

APPENDIX E: THE ECONOMIC IMPACT OF INVESTING IN EARLY CARE AND EDUCATION

The Heckman Equation:

<http://heckmanequation.org>

Federal Reserve Leaders on the Economic Value of High-Quality Early Childhood Education:

http://www.readyNation.org/uploads/db_files/FRB%20Support%20of%20ECE71.pdf

The Case for Investing in Disadvantaged Children:

<http://www.heckmanequation.org/content/resource/case-investing-disadvantaged-young-children>

The Rate of Return to the High/Scope Perry Preschool Program:

<http://www.nber.org/papers/w15471.pdf>

Skill Formation and the Economics of Investing in Disadvantaged Children:

http://jenni.uchicago.edu/papers/Heckman_Science_v312_2006.pdf

Why Quality Childcare Matters:

<http://childcaretoolkit.wordpress.com/why-quality-child-care-matters>

ReadyNation:

<http://www.readyNation.org/commissioned-research>

APPENDIX F:

The following table is the first page of the list state and city funding streams from The Louisiana Policy Institute for Children’s report [Prioritizing Our Future: How Cities and States Dedicate funds for Early Care and Education](#).

Prioritizing Our Future: How Cities and States Dedicate Funds for Early Care and Education
Appendix A

State Dedicated Public Funding Streams for Early Care and Education

| Funding Mechanism | State (Year Est.) | Source of Funding Stream ¹ | Aim of Funding Stream | Amount of Funding ² |
|---|--------------------|---|--|--|
| Tobacco Taxes | Arizona (2006) | In 2006, voters approved Proposition 203 , or the Arizona Early Childhood Development and Health Initiative, to establish a dedicated tax on tobacco products (at a varying rate per item, 80 cents per pack of cigarettes), separate from other tobacco taxes and dedicated to First Things First Arizona. | First Things First Arizona contributes funding for pre-K and child care quality improvement and scholarships, family strengthening, preventative health care, and system coordination to the Arizona early childhood system. ⁱ | \$143.3 million (FY18) |
| | California (1998) | In 1998, voters passed Proposition 10 , or the Children and Families Act of 1998, which levied an additional tax on cigarettes and other tobacco products dedicated to First 5 California. | First 5 California provides system-building for services for Californians from birth to age 5 as well as parenting education, child health and wellness, early child care and education, and family support services. ⁱⁱ | \$358.3 million ⁱⁱⁱ (FY18) |
| Tobacco Master Settlement Agreement Dollars | Missouri (2013) | Funding for the Missouri Early Childhood Development, Education and Care Fund (ECDECF) originally came from riverboat gaming fees, which also funded the Missouri Preschool Project. ^{iv} In 2013, however, HB1731 simultaneously reallocated the dedicated funding and replaced it with tobacco master settlement dollars. | The ECDECF provides funding for capital and ongoing costs associated with start-up of child care or pre-K programs and “certificates” (subsidies) for parents under 185% of the federal poverty level, to be used for child development, education, and care. Specifically, the fund supports the Missouri Preschool Project (MPP) in serving 3- and 4-year-olds in preschool and child care, the Parents as Teachers program, and First Steps . | \$35 million annually |
| | Kansas (1999) | Tobacco master settlement funds for Kansas are deposited into the Kansas Endowment for Youth (KEY) trust fund, which must transfer at least 102.5% of the amount transferred the previous year to the Children’s Initiatives Fund (CIF), as well as a legislatively determined portion of the fund’s accrued balance. ^v | Dollars from the CIF are the main funding source of the Kansas Children’s Cabinet , which allocates the tobacco settlement dollars dedicated to children in Kansas. ^{vi} The cabinet spends this funding primarily on services for prenatal to age 5 (via the early childhood block grant, healthy start home visitor, Kansas preschool program, etc.) and prenatal to age 12 (child care assistance). ^{vii} | Approx. \$40 million (FY17) |
| | Connecticut (2014) | An act of the state legislature in 2014 allocated \$10 million per year from the tobacco master settlement and \$10 million per year from state bonds to the Connecticut Smart Start Program , through 2024. | Local and regional boards of education in Connecticut can be reimbursed for capital or operating expenses incurred while expanding or creating a new pre-K program or receive competitive grants for pre-K expansion. | \$10 million (annually, FY14 – 24) |
| | Kentucky (2000) | Kentucky earmarked 25% of its portion of the tobacco master settlement for early childhood development. While the percentage dedicated to KIDS (Kentucky Invests in Developing Success) NOW has remained constant, the number of dollars in the tobacco fund has diminished over time, reducing KIDS NOW’s dedicated funding. ^{viii} | The KIDS NOW initiative was established by House Bill 706 in 2000 along with the dedication of a percentage of tobacco settlement dollars, and is now housed in the Governor’s Office of Early Childhood. ^{ix} KIDS NOW has used tobacco settlement funds to create a voluntary quality rating and improvement system for child care centers, provide child care subsidies, provide home visiting services, etc. | Approx. \$23.5 million (FY17) ^x |

¹ Only includes dedicated funding streams, which cannot be reallocated or reduced via the traditional budget process.

² From dedicated source only.

