



Early Childhood Municipal Policy 101

Financing and Resourcing for Early Childhood Success

Building a Better Tomorrow for Young Children and Families
Webinar Series
August 10, 2021 2:00pm ET

WHO WE ARE



The National League of Cities (NLC) is the voice of America's cities, towns and villages, representing more than 200 million people across the country.

IYEF Guiding Principle

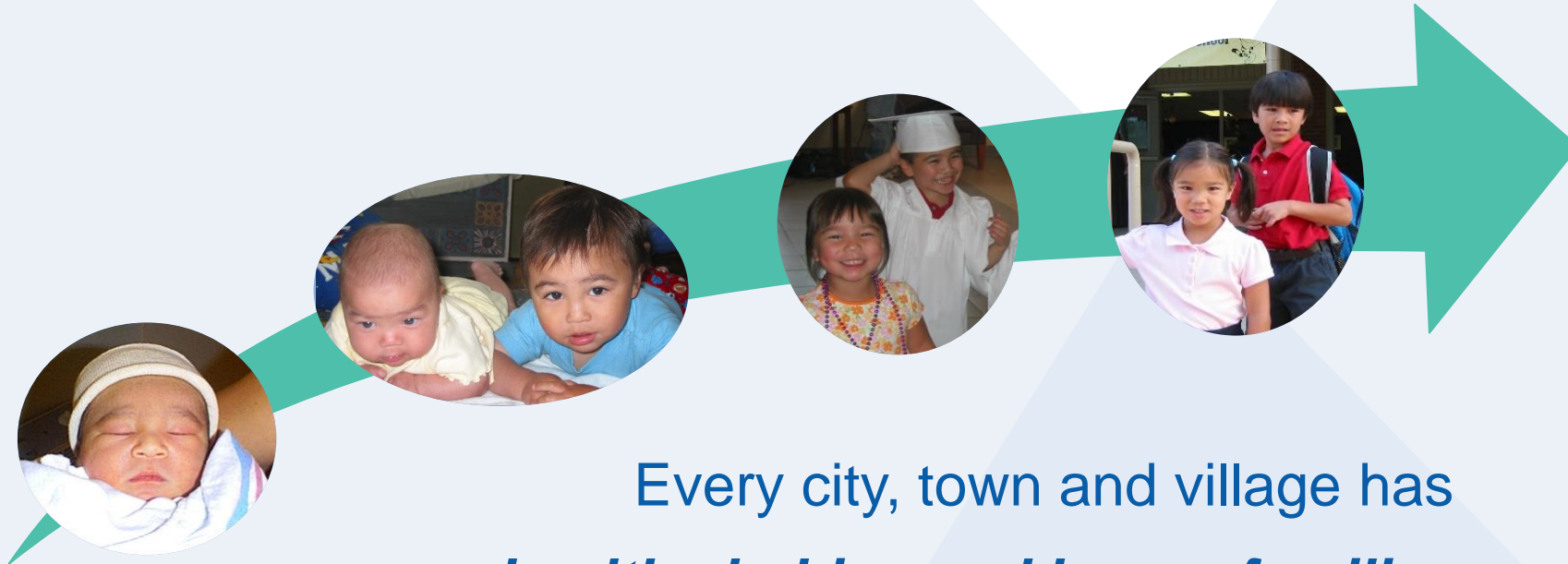
The Institute for Youth, Education, and Families centers values of racial equity, economic empowerment, high-quality education, equal justice, and strong health outcomes irrespective of zip code.

We firmly believe that all people deserve opportunity.



INSTITUTE FOR YOUTH,
EDUCATION, AND FAMILIES

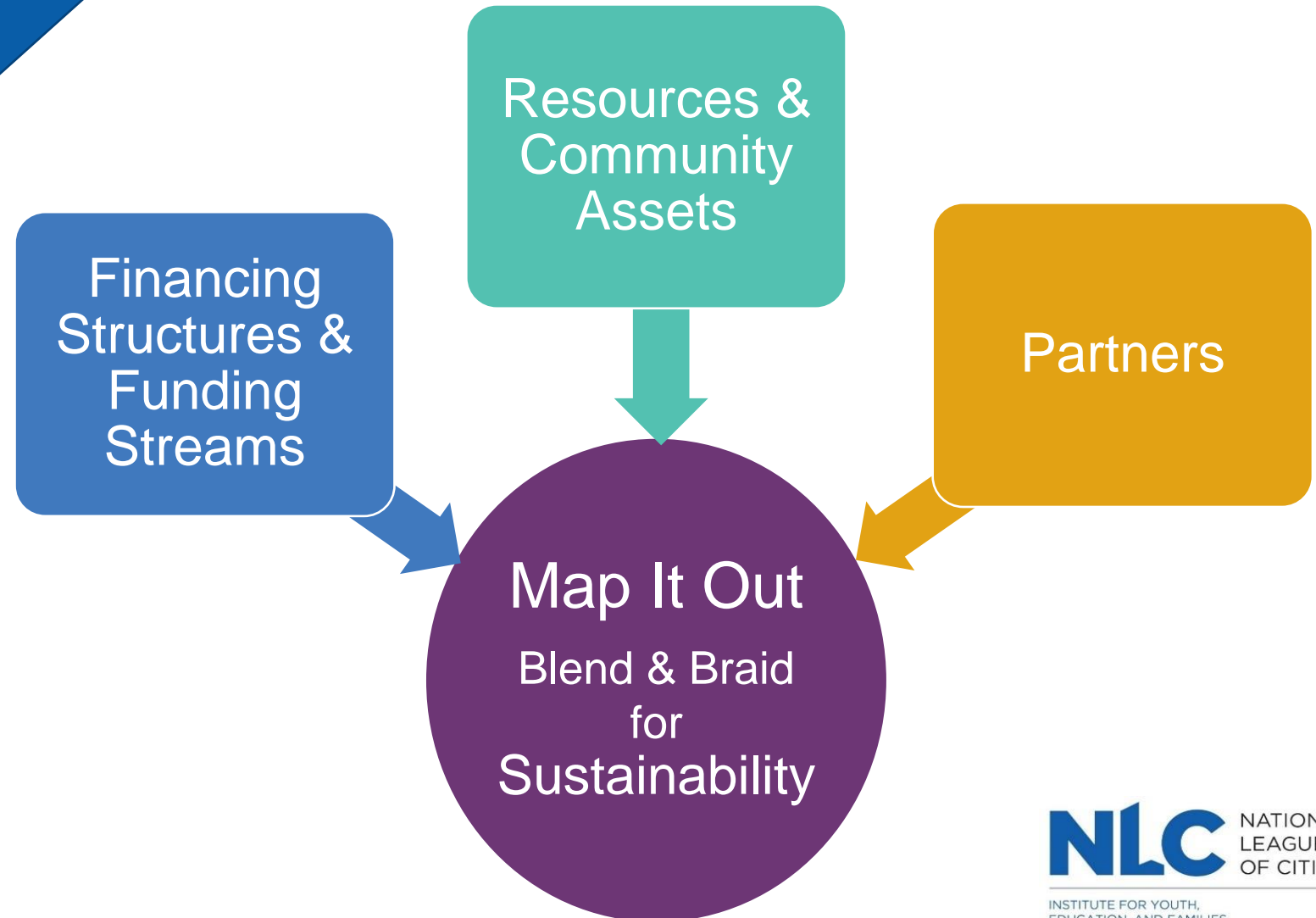
Early Childhood Success



Every city, town and village has
*healthy babies and happy families, and
all children are thriving by 3, ready at 5 and on
their way by 8*

Financing & Resourcing

Early Childhood Success



Municipal Policy 101

Financing and Resourcing for Early Childhood Success

Cities Fiscal Condition

EC Financing Landscape

Cities in Action

Recovery Opportunities

Take-Aways & Resources

Panelists

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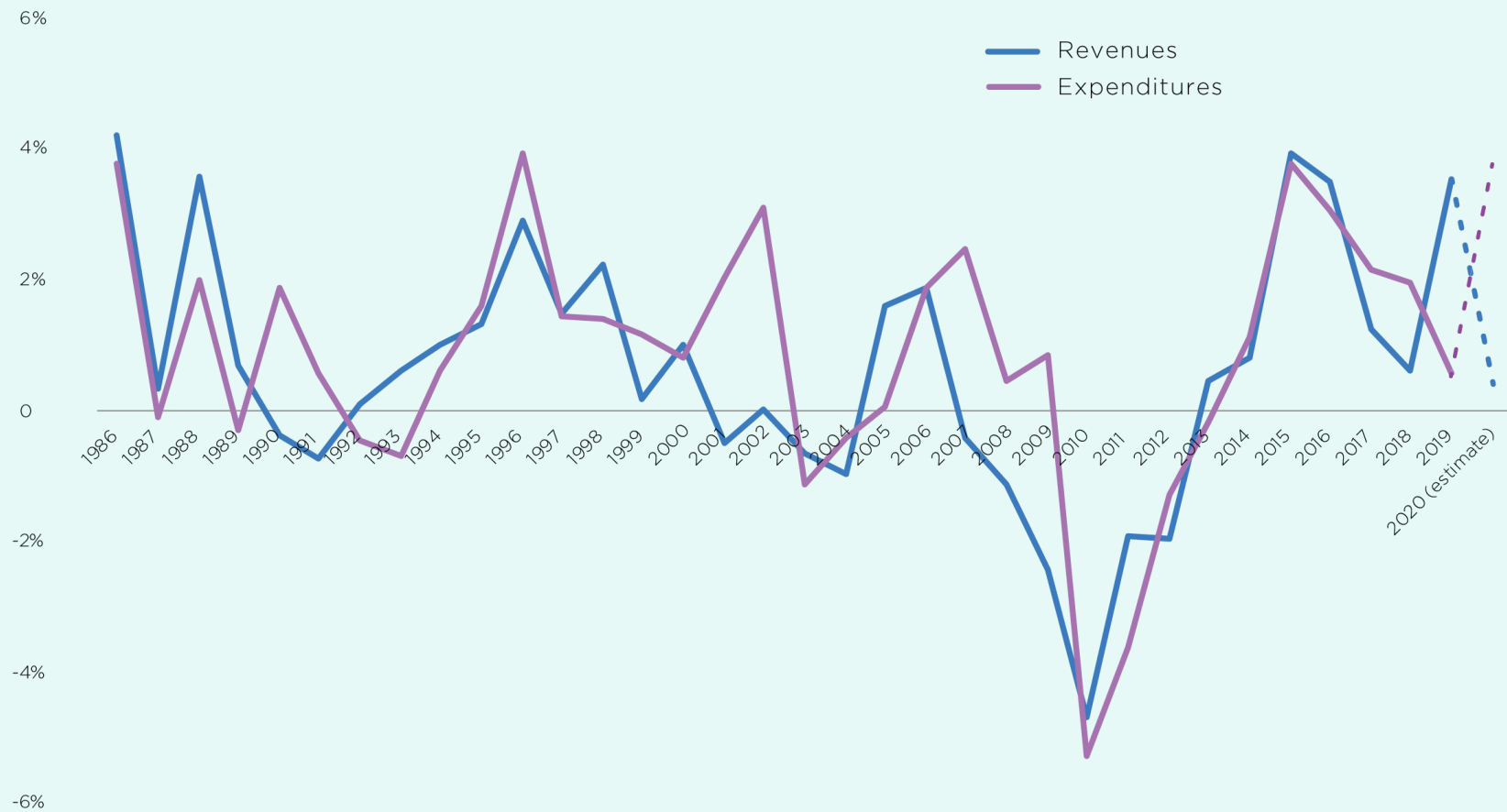
GECLC.coordinator@gmail.com

City Fiscal Conditions, Challenges and Opportunities

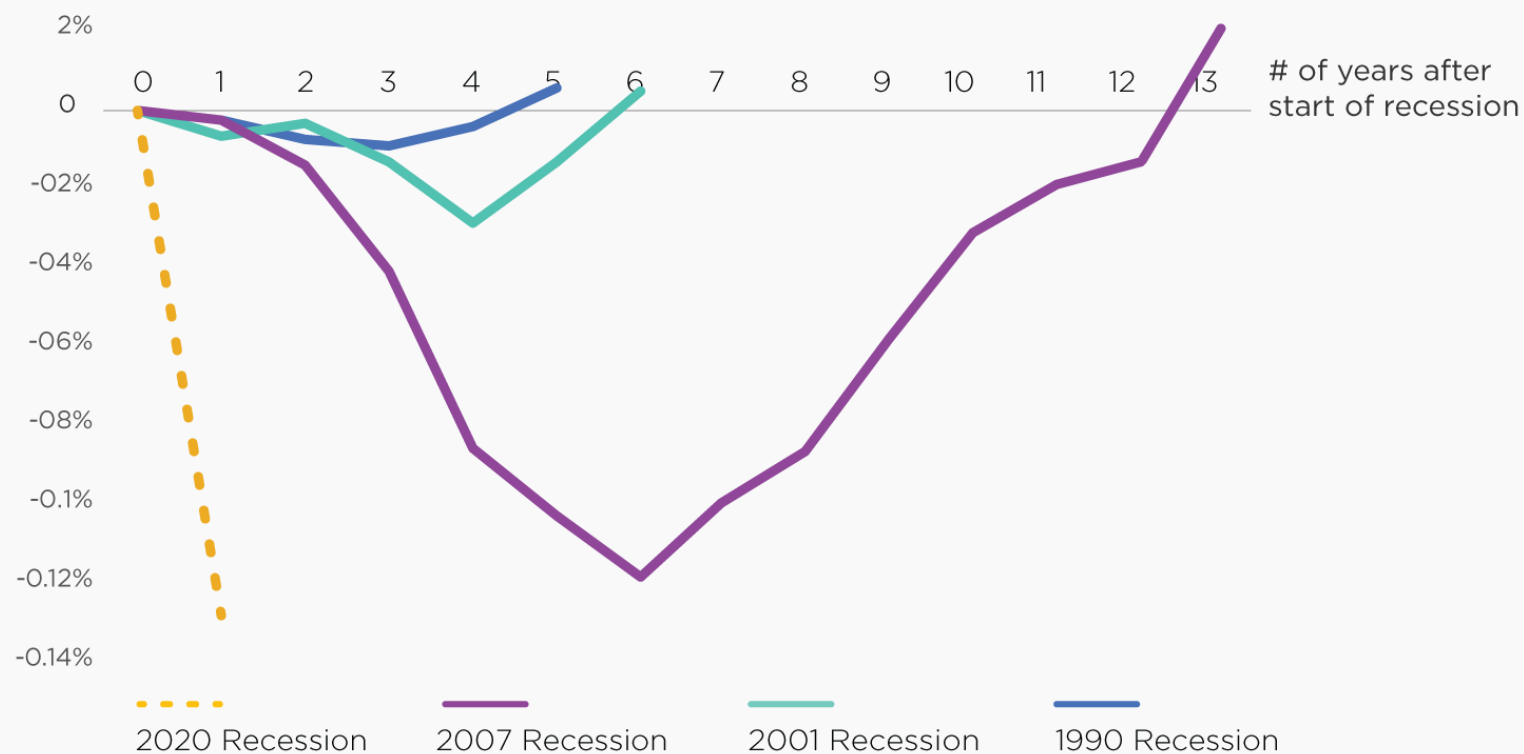
Christiana K. McFarland, PhD
Research Director



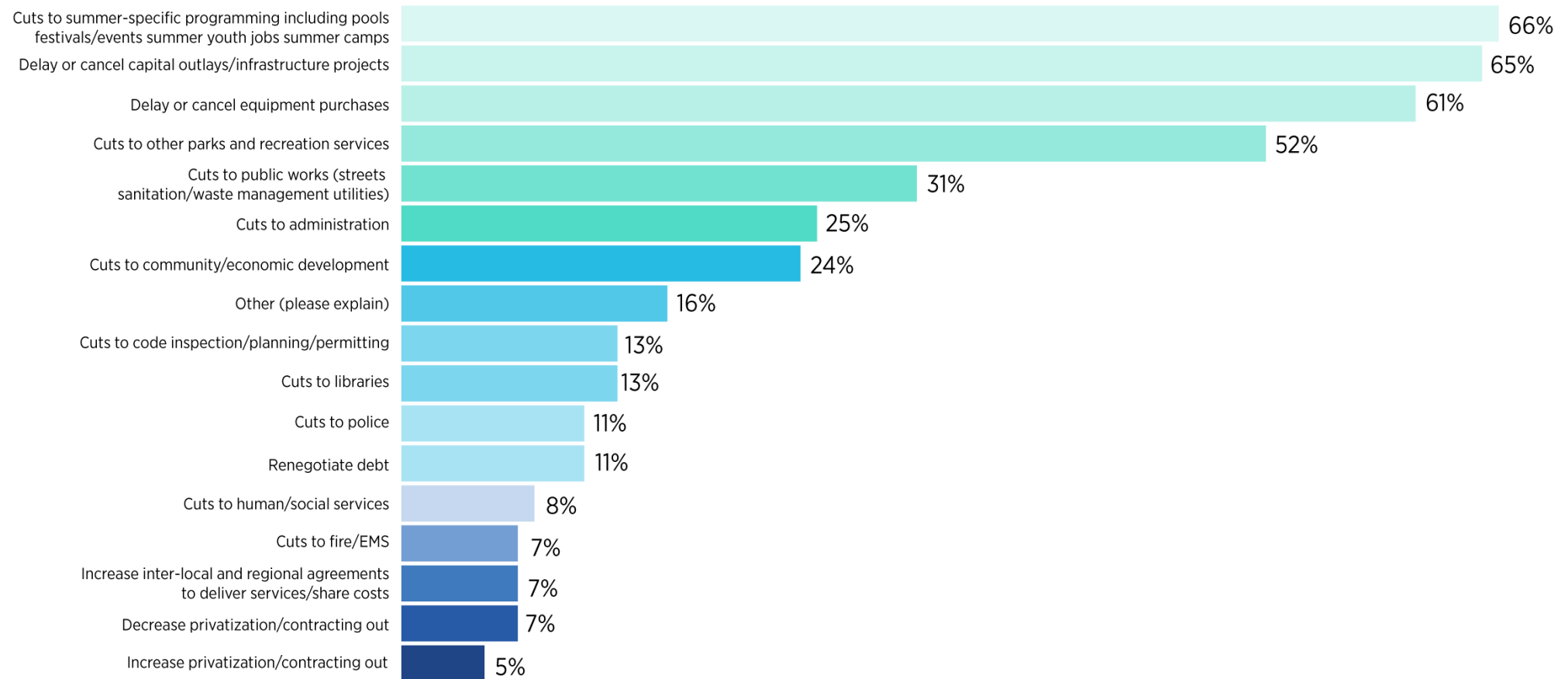
Year-Over-Year Change in General Fund Revenues and Expenditures



Comparative Revenue Trends During Recent Recessions



What are the most significant spending and service level adjustments your city is making?



Source: Results from the National League of Cities Local Impact survey conducted June 8-June 16, 2020 of 1,117 cities, towns and villages from all 50 states, the District of Columbia and Puerto Rico.

STATE OF THE CITIES 2021



Infrastructure is the top mayoral priority in 2021

State of the Cities 2021 National League of Cities

FIGURE 1: MAYORAL PRIORITIES IN 2021

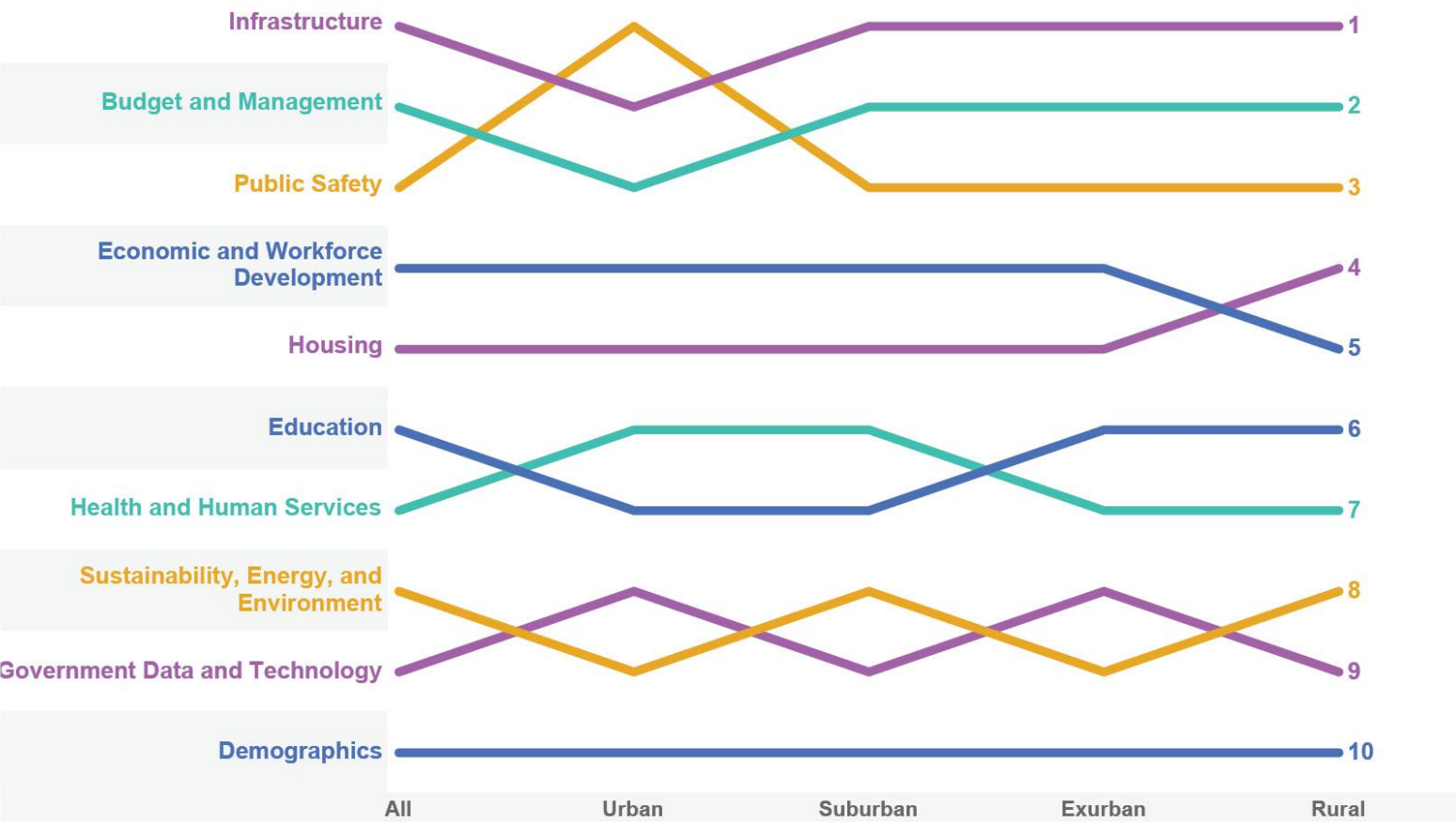
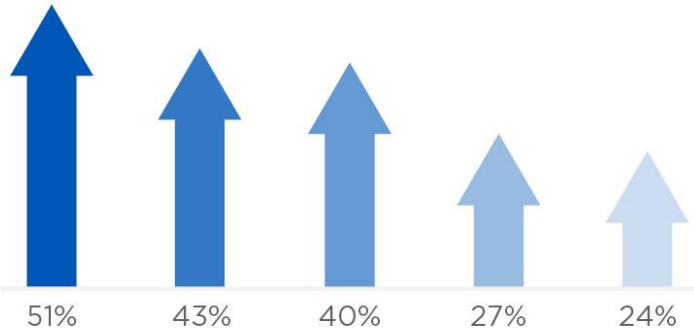
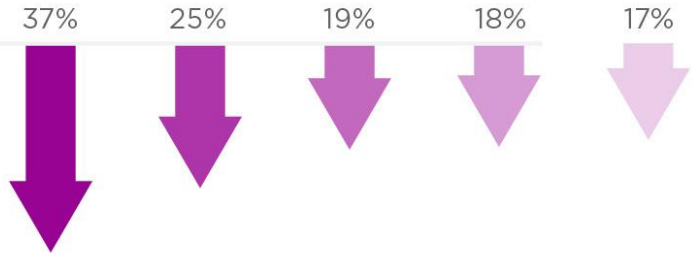


FIGURE 2: TOP 5 POSITIVE CONDITIONS
(% cities reporting condition as one of five most positive conditions over the past year)



- Home property values
- Availability of parks, recreation and community green space
- Access to clean drinking water
- Remote work
- Sales tax collections

FIGURE 3: TOP 5 NEGATIVE CONDITIONS
(% cities reporting condition as one of five most negative conditions over the past year)



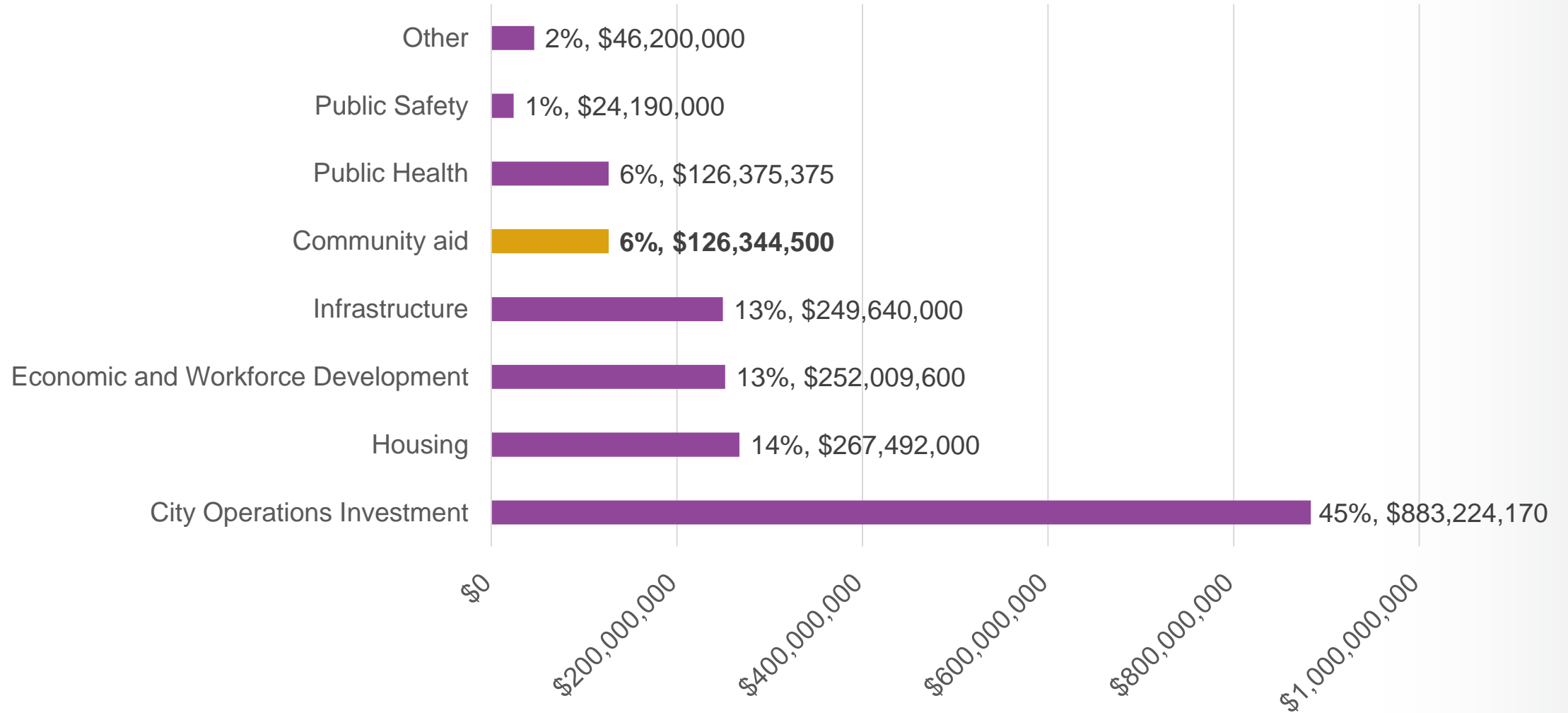
- Affordable housing supply
- Inactive/vacant commercial developments
- Infrastructure funding (including climate and resilience-related upgrades)
- Price of rentals/apartments
- Total general fund revenue

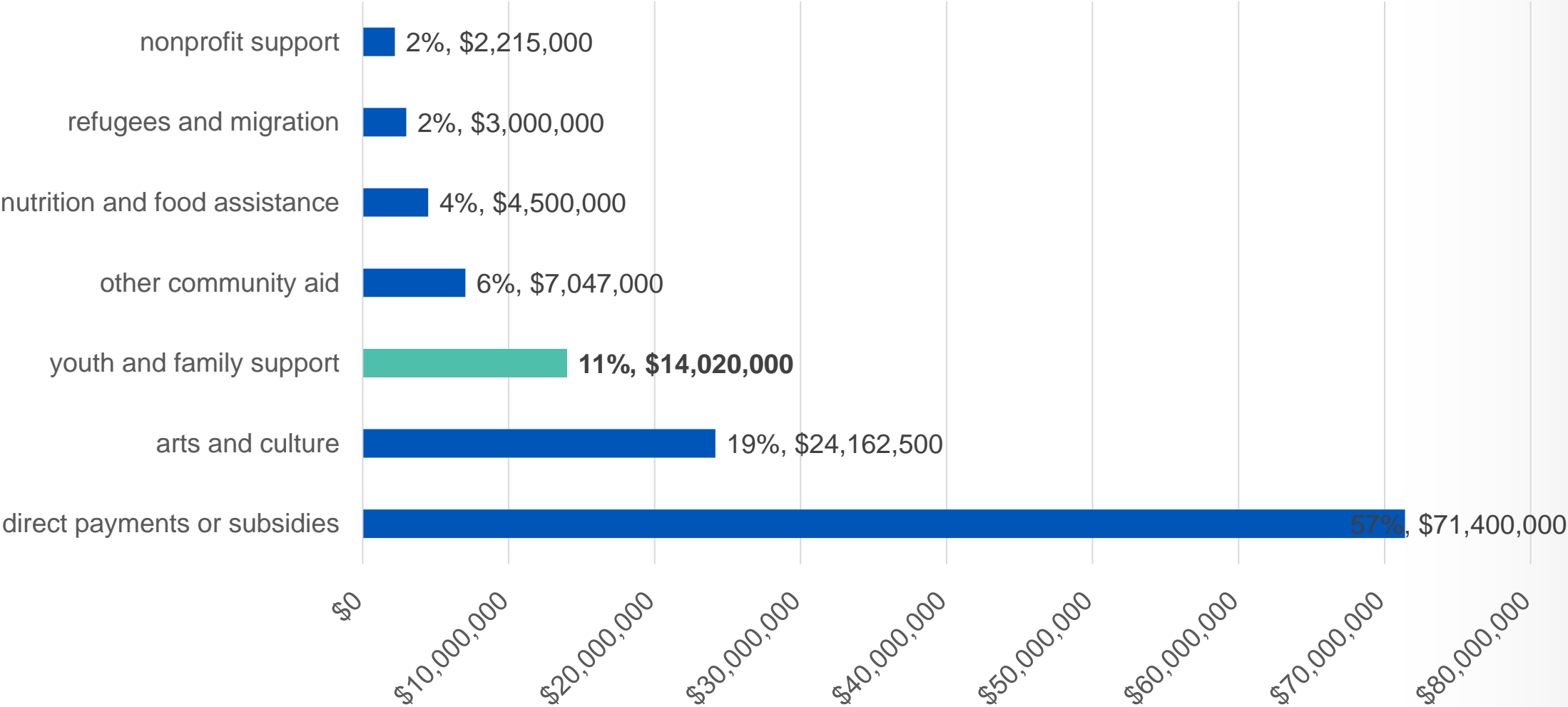
The federal government, because it does not operate under a balanced-budget regulation as states and cities do, **has the authority and ability to play a critical countercyclical role in the fiscal future of cities.**

During an unprecedented time, NLC delivered unprecedented results for our members.

\$65 billion of DIRECT aid to EVERY city, town or village across the country.

NLC DELIVERS





Administrative Actions to Support Youth and Families

Alexandria VA - \$620,000 for Out of School Time (OSTP) Enhanced Enrichment Programming (1).

Phoenix AZ- \$12,000,000 for Mini-grants for childcare or technology upgrades (2).

Toledo OH- \$1,400,00 mil for Youth summer enrichment programs and nutrition assistance (3).

QUESTIONS? GET IN TOUCH.

Christiana McFarland
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CHILDREN'S FUNDING PROJECT



How Local Governments are Enhancing Investments in Kids

● POLICY LEVERS IN ACTION



FIND. Does your community have a clear picture of its full set of investments in early childhood?



BUNCOMBE COUNTY, NC

Mapped all funding supporting pre-K



ALIGN. How do we make policy decisions that encourage the most efficient and effective use of the funding we already have?



New Orleans

braiding and blending federal, state and local funding to support slots



GENERATE. We have big gaps in our federal, state, and private funding. How do we generate new local resources?



WASHINGTON D.C.

Increased compensation of child care providers using a high income earner tax



ACTIVATE. What methods can we use to administer funds for maximum impact?



KING COUNTY, WA

Supports and builds capacity of community based providers with equity at the center

CHILDREN' 
FUNDING PROJECT

● FIND: Why create a fiscal map?

Understand
current
investments

Align
resources
with goals

Coordinate
supports and
services

Maximize
funding
opportunities

Identify new
areas for
attention,
efficiency and
innovation


NEW EMERGENT REASONS:

- Determine the baseline funding pre COVID-19 budget deficits
- Plan for equitable recovery of funds to enhanced programs and services

Funding Sources Currently Supporting the Early Childhood Education System

 **Head Start**
Provides funding for very low-income families

 **Child Care Dev. Fund Block Grant**
Supports CCR&R

 **Title 1 Funds**
Asheville City Schools use to support pre-k classrooms with eligible children in poverty

 **NC Pre-K**
Supports admin costs & slots for qualifying families at a higher income level

 **State subsidies**
Partially subsidizes child care for working families


 **NC Public Schools**
Provides a per-child grant allotment for the Developmental Day Center Program

 **Smart Start**
Helps working parents pay for childcare & supports quality improvement

 **County funds**
Support CCR&R through the Buncombe PFC and provide in-kind services and buildings

 **NC Pre-K**
Supports admin costs & slots for qualifying families at a higher income level

 **Gifts & grants***
from private foundations, corporations, & other donors.

 **Out-of-pocket tuition**

1,778

- **Proposed new, fully-funded slots with reduced provider requirements and expanded eligibility**

Unserved preschool-eligible children likely to enroll in new, funded slots.

2,719

- **NCPC & Smart Start local partnership providers**
- **NC Pre-K Providers**
- **Southwestern Child Development Commission early education and pre school partners**
- **Buncombe PFC Direct Service Providers & Community Partners**

3, 4 & 5-year-olds currently enrolled in licensed pre-K, funded at least in part by a variety of federal, state and private dollars

812

- **Unlicensed local childcare providers**

Children in unlicensed partial day care (paid for out-of-pocket)

Filling the Gap

What it would take for the Asheville-Buncombe Preschool Planning Collaborative to fill the high quality preschool gap with local funds.

Proposed new funding source to support an expanded early childhood education system

 **New Local Funds**
Support new slots for children via the Asheville Buncombe Preschool Planning Collaborative

1,778 target eligible, available 3, 4 & 5-year-olds

x \$10,774 estimated cost per slot for ABPPC full day, full year quality pre-K

\$19,159,022 estimated cost to expand high quality pre-K to 1,778 additional children

+ \$25,000/NEW CLASSROOM estimated per classroom start-up cost

New Orleans Inventory of Public Investments in Children & Youth - 2020

Total Investments in Children and Youth Ages 0-24

\$40M

This fiscal map is a comprehensive analysis of public investments in youth and children in New Orleans. This resource will assist city leaders to identify and align spending with priorities. In addition, non-profits, residents, and community groups are encouraged to use the resource to better understand the City's public investments in youth and children.

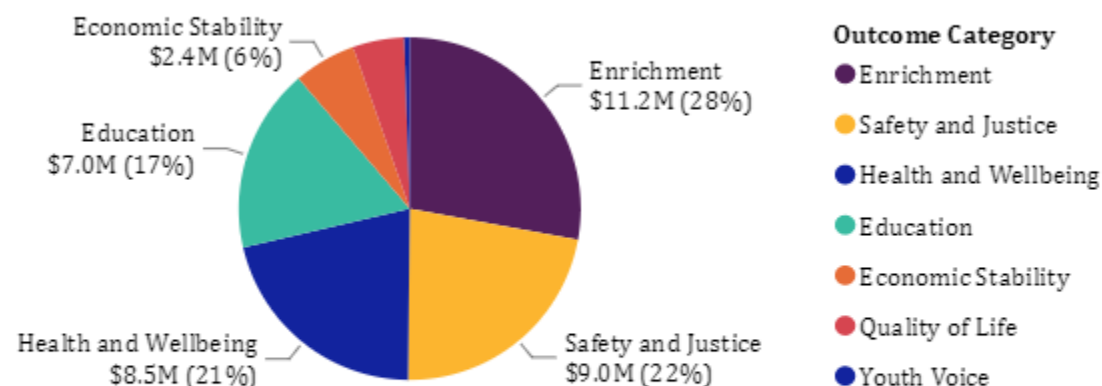
Through a data-driven process, the Mayor's Office of Youth and Families, in partnership with the Children's Funding Project, worked with City agencies and departments to obtain fiscal data related to youth and children services. Fiscal data was categorized into outcome categories, levels of intervention, and eligible services to provide a more detailed analysis.

The data in this map includes general fund expenditures, state and federal grants, and some miscellaneous sources of funding. It is important to note that this fiscal map does not include school funding, which is administered by New Orleans Public Schools, a public entity independent from the New Orleans City Government.

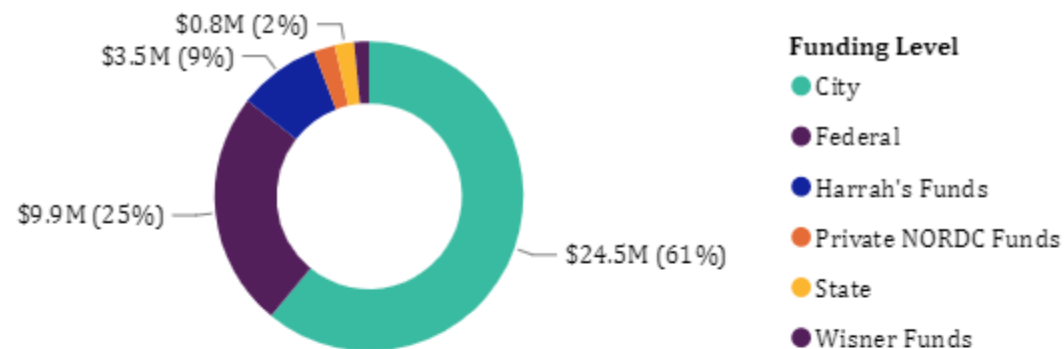
Funding Stream Name	Original Granting Agency	FY20 Appropriation Amount	Program Description
Children and Youth Planning Board	Office of Youth and Families	\$100,000	THE CHILDREN AND YOUTH PLANNING PLAN FOR SERVICES AND PROGRAMS F COLLABORATIVE EFFORTS AMONG LOC BEHAVIORAL, EDUCATIONAL, SAFETY, A COMMUNITIES, AND FOR ASSISTING IN
Community Development Block Grant - NORDC Summer Camp	Housing and Urban Development	\$1,021,397	SUMMER CAMP
Edward Byrne Justice Assistance Grant Program - Louisiana Center for Children's	Mayor's Office of Criminal Justice	\$57,200	THE JAG PROGRAM IS THE LEADING SOI
Total		\$40,250,226	



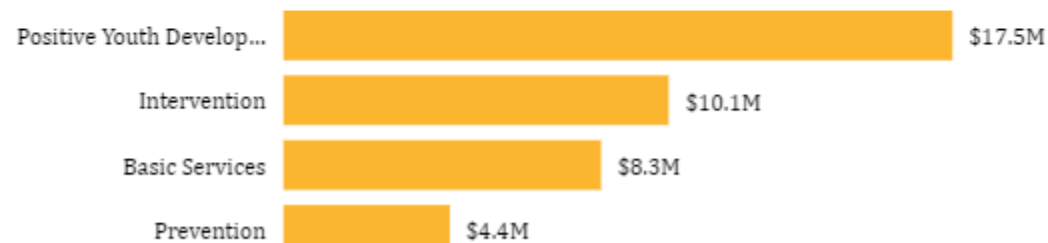
Investments by Outcome



Source of Investments



Investments by Level of Intervention



ALIGN Local leaders must be prepared to make adjustments in how funding is allocated, managed and accounted for within agencies to address gaps and overlaps in the existing funding landscape.

What can you do?

- Use local dollars as flexibly as possible
- Reconcile different processes between departments (i.e. sign MOUs, align RFPs, change program requirements)
- Engage non-traditional departments
- Blend or braid multiple funding sources and/or apply for waivers
- Align any new funds with existing funding
- Invest in public/private partnerships that help maximize and leverage dollars

● Align: New and Flexible Federal Funding



NAVIGATING NEW AND FLEXIBLE
FUNDING STREAMS FOR KIDS
DURING COVID-19

A guide from **Children's Funding Project**
Published April 2020

Read now!
“Navigating New and
Flexible Funding
Streams for Kids During
COVID-19”



GENERATE: 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

Local dedicated public funds (set aside or new tax)

Community Benefit Agreements

Individual or Business Tax credits

Pay for Success

Medicaid reimbursements

Community Reinvestment Act agreements

Profits from publicly held assets

Reforming tax exemptions

PILOT recapture

In kind facilities usage

[READ: Innovative Financing to Expand Services So Children Can Thrive](#)

● A SOLUTION

Local funding

- Nimble & flexible
- Responsive to local context
- Missing piece of the public funding landscape
- Enables innovation

Additional benefits

- Builds a grassroots children's constituency
- Provides models that build trust

Local, public, dedicated funding for early childhood.

Public funding

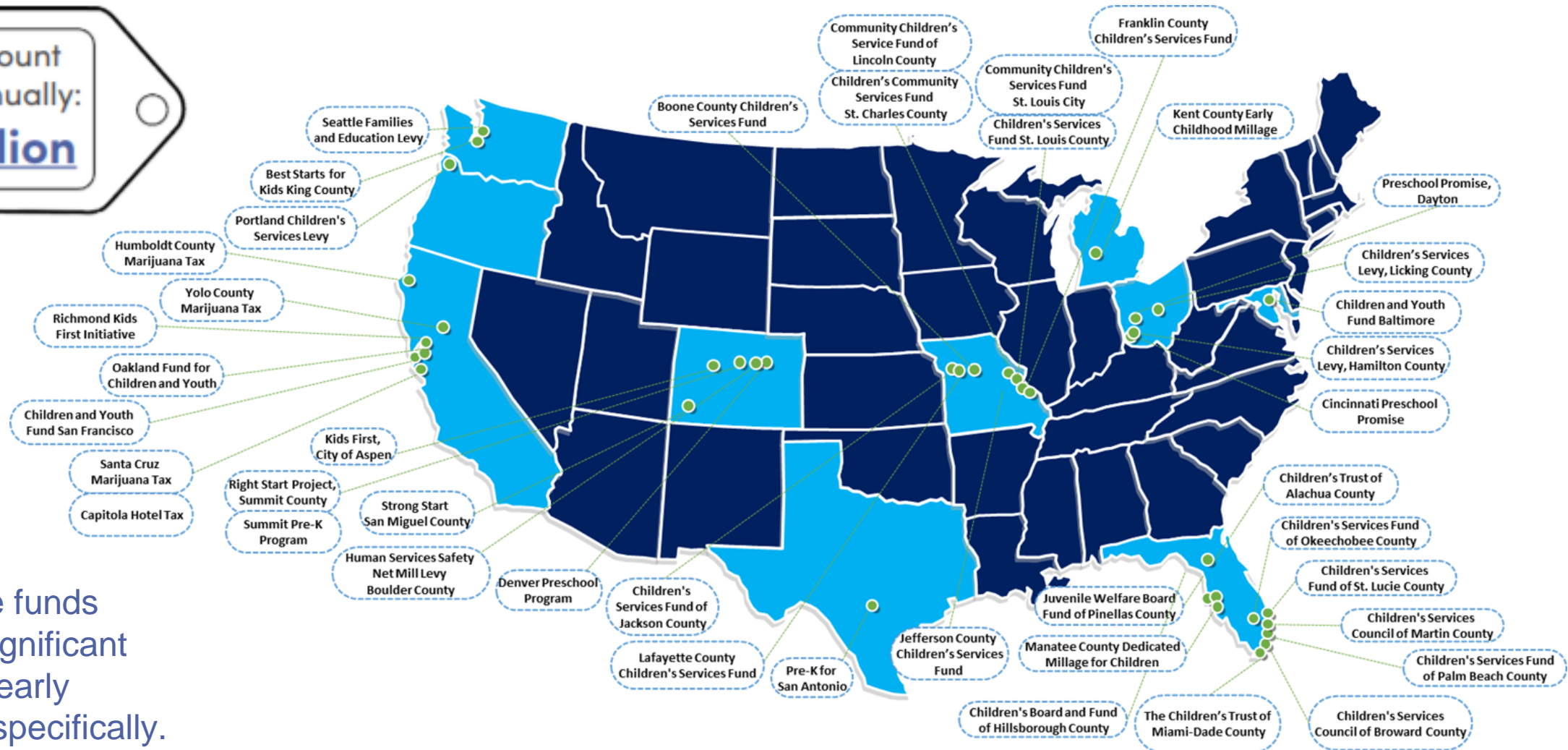
- Significant investment
- Accountable infrastructure
- Community-driven
- Drives provider equity

Dedicated funding

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

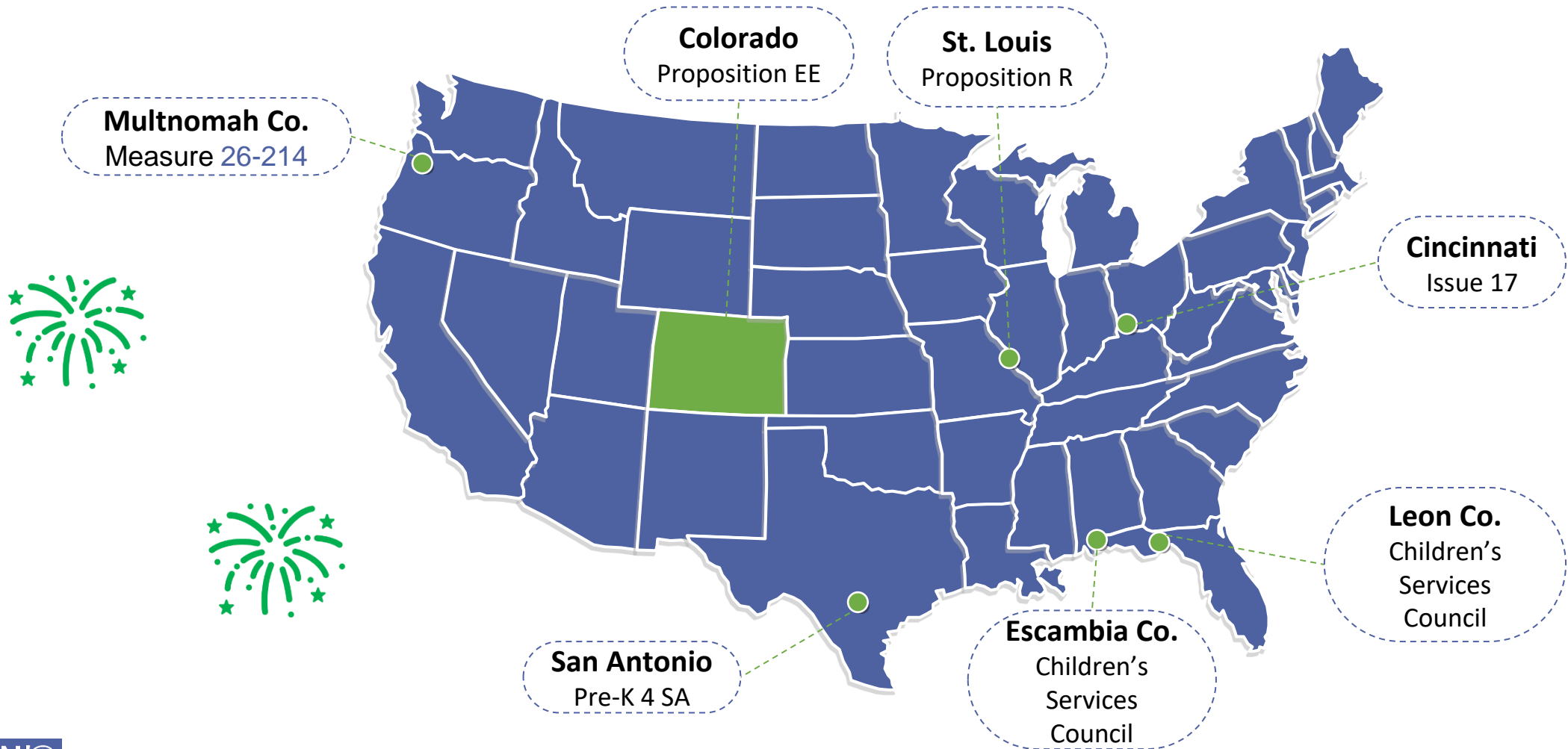
Local Dedicated Funds – the reach

Total amount
raised annually:
\$1.1 billion



18 of these funds
dedicate significant
funding to early
childhood specifically.

Successful Children's Ballot Measures Nov 2020



How do localities across the US generate revenue to support 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

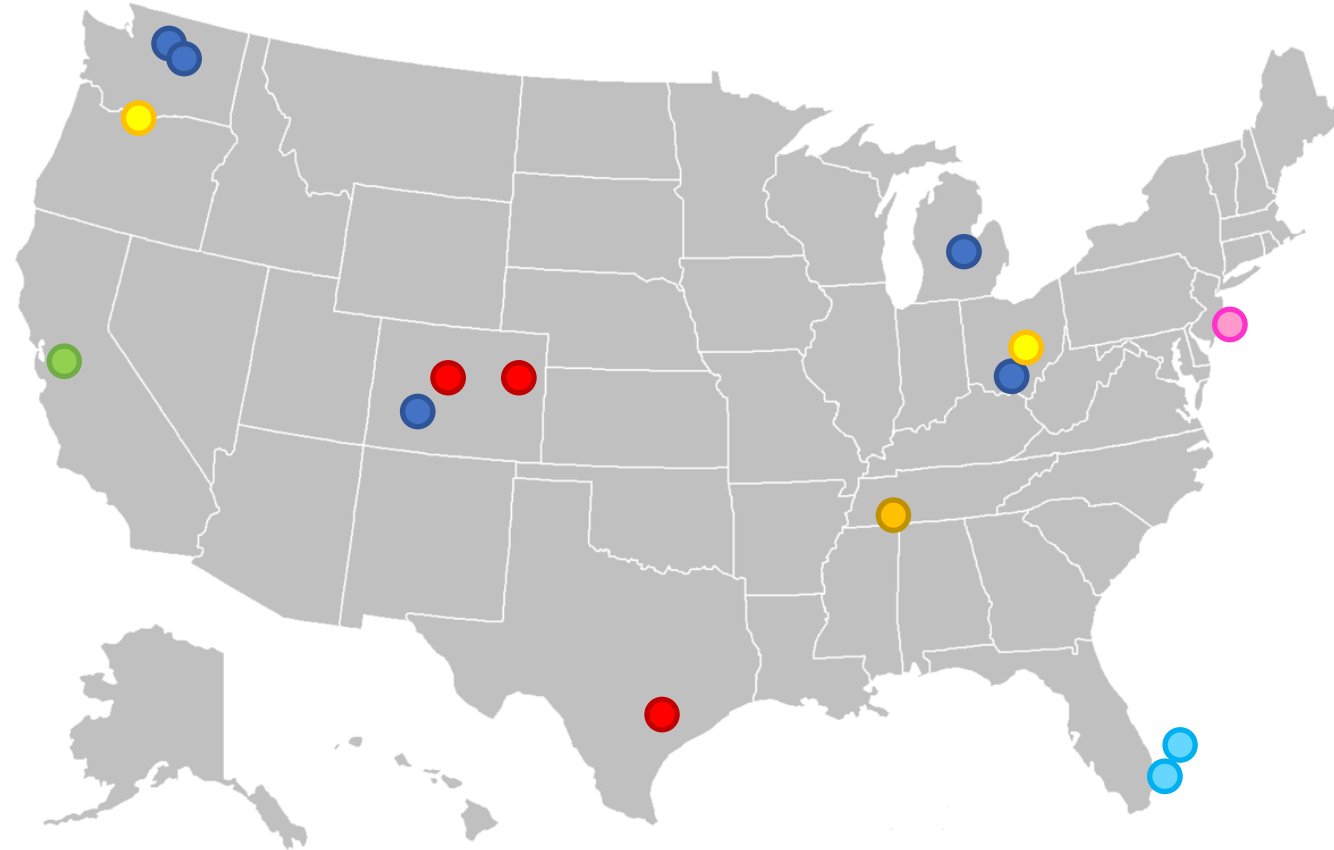
Broward County, FL; Palm Beach County, FL

Sweetened beverage tax

Philadelphia, PA

Income tax

Dayton, OH; Multnomah County, OR (*high-income earners tax*)



In 2018 Memphis's Seeding Success nonprofit identified gaps in funding across its early childhood system

- *8,400 needs-based enrollment slots for pre-K are needed to reach "pre-K by 2022" goals*
 - 7,420 seats are currently funded and filled
 - 1,000 of those seats are funded by a federal grant that will not be renewed (loss of \$8 million)
 - The cost of this 2,000 seat gap is \$16 million
- *7,000: the number of children who need home visiting services*
 - 1,000 children currently receive home visiting
 - \$7.5 million is needed to provide 6,000 additional seats
- *Lack of collaboration among the area's 800 childcare center necessitates system-building resources*
 - The goal is to create a "shared service" childcare network, which would provide supports including professional development, accounting services, curriculum development and marketing strategies.



CATEGORY 1:
Dedicate local
funding from
PILOT recapture
and 1 cent of
existing property
tax



CATEGORY 3:
Increase funding
from private
donations and
grants



**VOTER
APPROVED –
NOV. 2018!**

Ready by 5 Early Childhood Proposal

- In 2011 First Steps Kent – a public-private partnership that works to strengthen and coordinate early childhood services – created the *Kent County Community Plan for Early Childhood*
- A 2017 analysis of gaps in services and funding found a gap in funding for prevention and early intervention services (more than half of eligible children not receiving these services)
- 2018 – First Steps Kent proposes a new levy to fill gaps identified

How new funds will be invested

In-home and community-based programs such as nurse home visits – to improve children’s health and development and strengthen parent/child bonds	\$2 – 3.5 million & up to 9,000 served annually
Navigation and referral services to help connect parents with prevention, early intervention, and prenatal care services and maximize use of Medicaid-funded services	\$500,000 – 1 million, up to 5,000 served annually
Early developmental screenings	\$1 – 1.5 million, up to 20,000 children served annually
Evaluation, data collection, TA, and quality improvement for the early childhood system	\$500,000 – 1 million
Oversight and allocation of fund	\$250,000-350,000

● DAYTON, OH

Preschool Promise

- Preschool Promise, Inc., is an initiative in Montgomery County, Ohio, designed to help children start Kindergarten on track and be ready to learn. It "promises" one year of affordable, high-quality Preschool.



- In 2016, Mayor Whaley and city commissioners asked Dayton voters to approve a 0.25% earned income tax increase to support Preschool Promise and along with other community needs such as park improvements.
- The 8-year levy, which will raise an estimated \$11 million annually, passed overwhelmingly in November 2016 with 54% of the vote. Today Preschool Promise has \$4.3 million in dedicated annual funding to support Dayton's young learners

Source: [Preschool Promise](#)

● WASHINGTON, D.C.

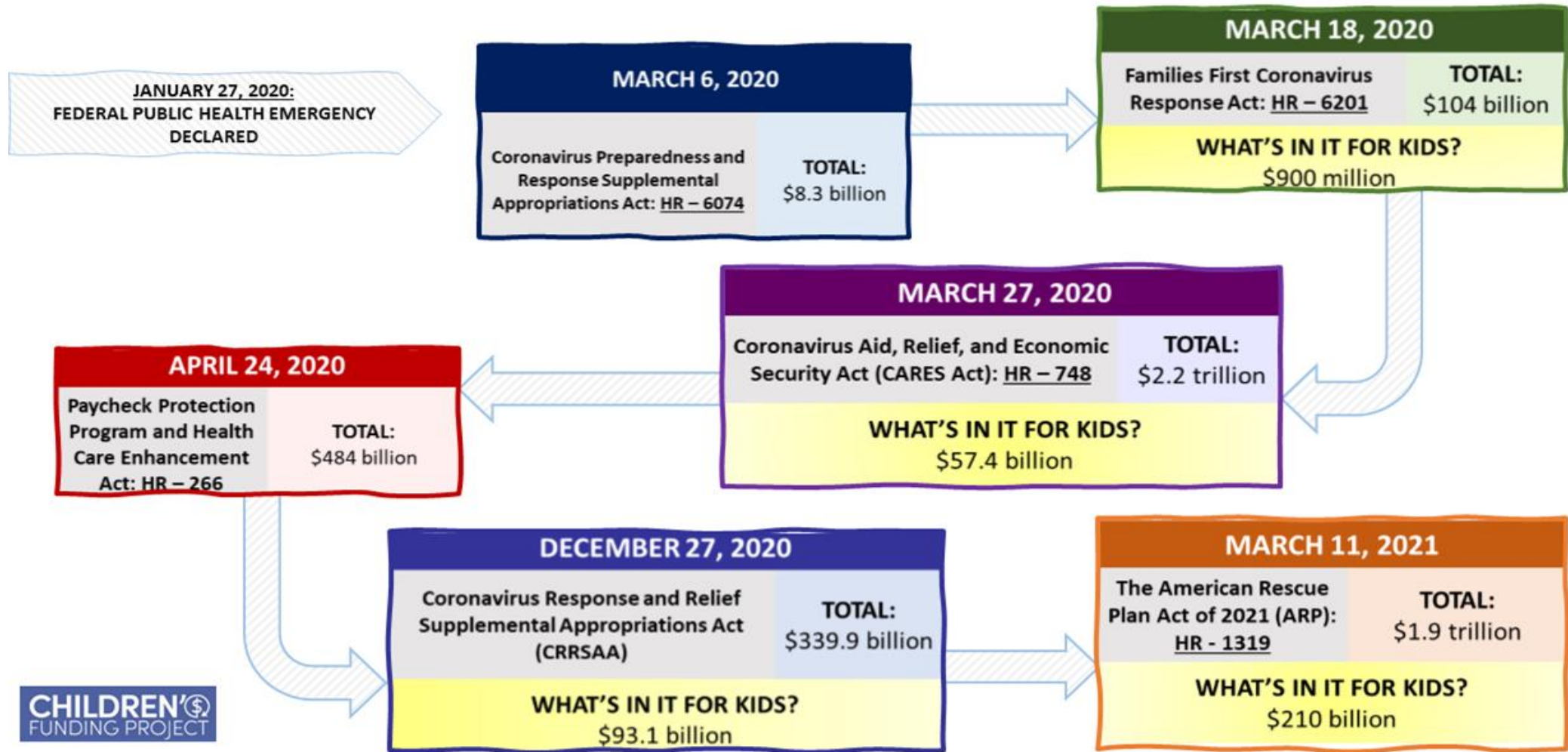


Image source: wjla.com
Content source: [DC Action](http://DCAction.org)

DC District 22 Budget

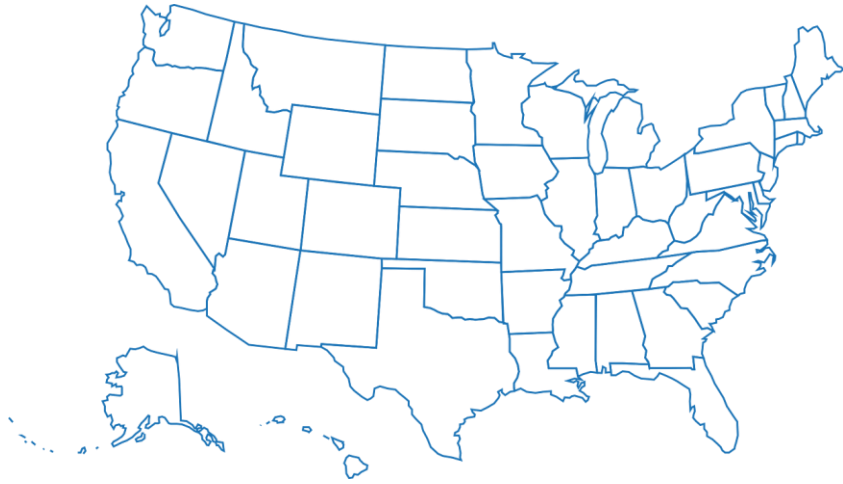
- Voted on August 3, income tax increase will fund early childhood educator compensation increase.
- \$53M towards increasing wages to educators in fiscal year 2022.
- More than \$70 million annually beginning in fiscal year 2023.

FEDERAL COVID-19 RELIEF FUNDING FOR KIDS: *A year in review*



	Funding Stream/Program	FFCRA	CARES	CRRSAA	ARPA
GENERAL	CORP. FOR NATIONAL AND COMMUNITY SERVICE (CNCS)				\$852 million
	COMMUNITY DEVELOPMENT BLOCK GRANTS (CDBG)		\$5 billion		
	COMMUNITY SERVICES BLOCK GRANTS (CSBG)		\$1 billion		
EDUCATION	PUBLIC K-12 AND HIGHER EDUCATION		\$31 billion	\$77 billion	\$162 billion
	IDEA PARTS B AND C				\$3 billion
EARLY CARE AND EDUCATION	CHILD CARE FUNDING (CCDBG OR CHILD CARE STABILIZATION)		\$3.5 billion	\$10 billion	\$39 billion
	HEAD START		\$750 million	\$250 million	\$1 billion
	HOME VISITING (MIECHV)				\$150 million
CHILD WELFARE	CHILD ABUSE PREVENTION AND TREATMENT				\$250 million
	TITLE IV-B AND E PROGRAMS		\$45 million	\$485 million	
	FAMILY UNIFICATION PROGRAM VOUCHERS			\$20 million	
	FAMILY VIOLENCE PREVENTION AND SERVICES		\$45 million		
	RUNAWAY AND HOMELESS YOUTH ACT		\$25 million		
BEHAVIORAL HEALTH	PROJECT AWARE			\$50 million	\$30 million
	YOUTH SUICIDE PREVENTION				\$20 million
	NATIONAL CHILD TRAUMATIC STRESS NETWORK			\$10 million	\$10 million
NUTRITION	WIC	\$500 million			\$490 million
	THE EMERGENCY FOOD ASSISTANCE PROGRAM	\$400 million	\$450 million	\$400 million	
	SNAP		\$15.8 billion		

CARES Act Coronavirus Relief Fund: States & Localities Using Direct Relief for Kids



City and County of St. Louis, MO: 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.

City and County of San Diego, CA: 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.

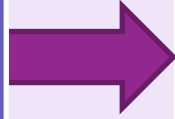
CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUND (ALLOCATIONS TO CITIES AND COUNTIES)			
COUNTY/CITY NAME	ALLOCATION	KEY LOCAL DECISIONMAKER	Federal SLFRF Resources, Information and Guidance
Toledo	\$180,948,591	Toledo City Council	Coronavirus State and Local Fiscal Recovery Fund Guidance (U.S. Department of the Treasury) Coronavirus State and Local Fiscal Recovery Fund Final Interim Rule (U.S. Department of the Treasury) Coronavirus State and Local Fiscal Recovery Fund FAQs (National Association of Counties) Information on allocations to Non-entitlement Units of Government (NEUs) (U.S. Department of the Treasury) Compliance and Reporting Guide (U.S. Department of the Treasury, June 2021)
Lucas County	\$83,201,577	Lucas Co. Board of Commissioners	
State SLFRF Resources, Information, and Guidance			
Ohio Auditor Report: Separate Accountability for Federal Programs Authorized by the American Rescue Plan Act of 2021			

ARPA ELEMENTARY AND SECONDARY SCHOOL EMERGENCY RELIEF FUND (ESSER III)			
SCHOOL DISTRICT NAME	ALLOCATIONS	20% Min. for Learning Recovery	Federal ESSER III Resources, Information and Guidance
Oregon City SD	\$3,899,535	\$779,907	FAQs for ESSER III (U.S. Department of Education) ESSER III Interim Final Rule (U.S. Department of Education, 4/22/2021) Federal Emergency Aid for Public Education: A Guide to Funding Amounts, Uses, and Requirements (National Education Policy Center) Description of ESSER III's Learning Recovery Reservation (Afterschool Alliance)
Springfield Local SD	\$5,730,484	\$1,146,097	
Springfield Local SD	\$1,116,800	\$223,360	
Springfield Local SD	\$4,004,768	\$800,954	
Sylvania City SD	\$6,340,724	\$1,268,145	
Toledo City SD	\$123,809,015	\$24,761,803	
Washington Local SD	\$14,038,258	\$2,807,652	State ESSER III Resources, Information and Guidance Ohio State ESSER Plan Top three priorities among the ten stated priorities in Ohio's #EachChildOurFuture plan are to support teachers, leaders, and students in the classroom.

ARPA Higher Education Emergency Relief Fund (HEERF III)			
INSTITUTION NAME*	INSTITUTIONAL AID ALLOCATION**	STUDENT AID ALLOCATION***	Notes + Links to Key Resources on HEERF III \$
Bowling Green State University (public)	\$18,366,608	\$18,689,684	Federal HEERF III Resources, Information, and Guidance Higher Education Emergency Relief Funds Comparison Chart (NASFAA, May 2021) HEERF III FAQs (U.S. Department of Education, May 2021)
Lourdes University (private)	\$1,740,752	\$1,751,928	
Owens Community College (mainly part time- 2 year degree only)	\$8,126,217	\$8,441,591	
University of Toledo (public)	\$18,838,833	\$19,329,163	

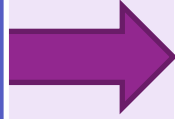
* Note: This resource does not include private or for-profit colleges or universities as they were not eligible to receive HEERF \$ funds from Sec. 2003(a) of ARPA

Invest in intermediary infrastructure



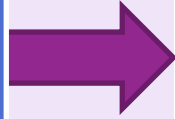
- ✓ Fund local intermediary organizations to coordinate distribution of new ARPA funding
- ✓ Use new money to empower intermediaries and other backbone organizations to connect families to resources across sectors

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



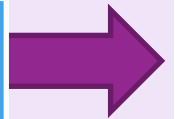
- ✓ Treat the new dollars as seed money for ongoing innovative programs and generate new revenue at the state and local levels

Collaborate and coordinate across systems



- ✓ Invest in cross-sector partnerships to ensure equitable and intentional distribution of funding.

Document & communicate



- ✓ Track and monitor the use of funds and document successes and challenges

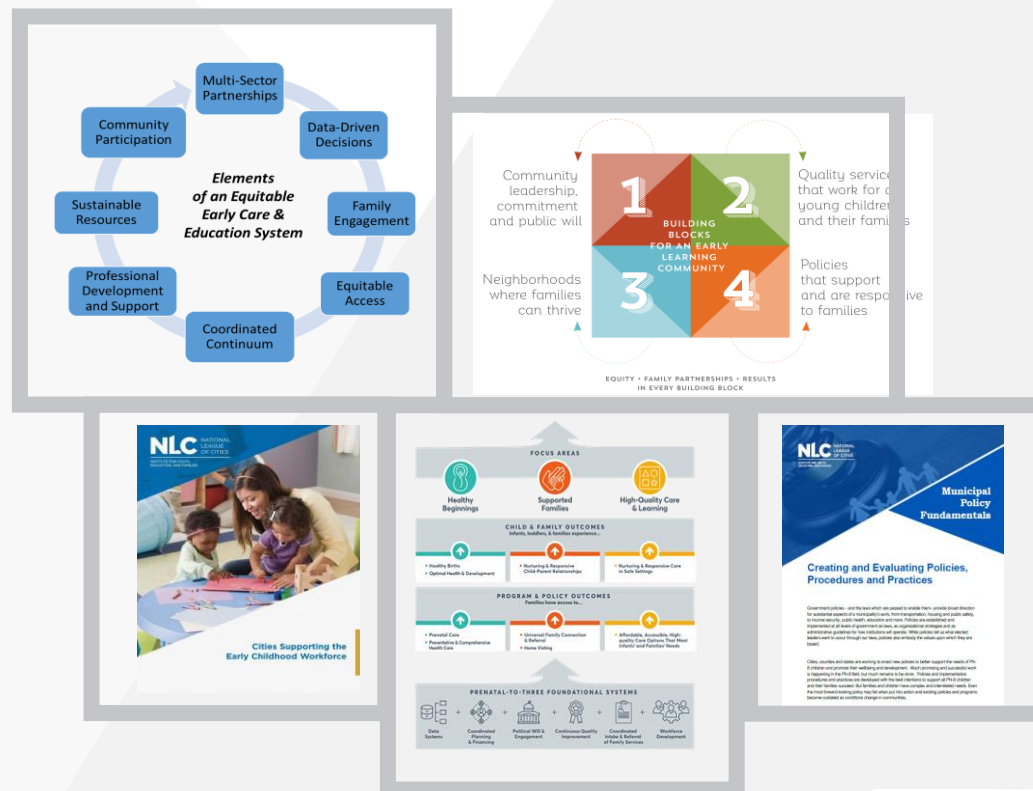
Early Childhood Success Resource, Tools and Communities of Practice

EC Network

Systems-Level

Target Areas

Leadership
Development



ECTeam@nlc.org

Resources



Children's Funding Project

<https://www.childrensfundingproject.org/>

[Innovative Financing to Expand Services So Children can Thrive](#)

[Cradle-to-Career Guide to Federal Relief Funding for Kids During and Beyond COVID-19](#)

[The American Rescue Plan Is Just the Start. Here's How We Build a Long-Term Investment in Our Youth](#)

City of Las Vegas

<https://www.lasvegasnevada.gov/>

Strong Start Early Learning Academies <https://www.lasvegasnevada.gov/Residents/Education/Strong-Start-Academies>

Gothenburg Early Childhood Learning Coalition

<https://www.geclc.org/>

Impact Center

<https://www.gothenburgimpactcenter.com/>

City of Gothenburg

<https://www.ci.gothenburg.ne.us/>

Wood River Vision 20/20

<https://woodriverne.com/vision2020/>

Stick Creek Kids <https://stickcreekkids.org/>

City of Wood River <https://woodriverne.com/>

NLC Resources

State of the Cities 2021 <https://www.nlc.org/resource/state-of-the-cities/>

Cities Fiscal Condition 2021 – stay tuned, anticipated Fall 2021

ARPA and Recovery Resource Hub <https://www.nlc.org/covid-19-pandemic-response/>

[Local Recovery: Five Principles for ARP Implementation](#)

W.K. Kellogg Foundation wkkf.org

Truth, Racial Healing & Transformation™ <https://healourcommunities.org/>

Other Resources

Bipartisan Policy Center: [From the Ground Up: Improving Child Care and Early Learning Facilities](#)

National Children's Facilities Network <https://www.ncfn.org/about-ncfn>



Local **VOICES**

National **LEADERSHIP**

SHARE YOUR LOCAL EXPERIENCE

for national impact by leading at NLC in 2022.

[Link to Application](#)

NLC LEADERSHIP APPLICATIONS **OPEN THROUGH SEPTEMBER 21.**



Let NLC deliver for your city with:

- Advocacy Support
- Peer Networking
- National Leadership
- Education + Training
- Hands-On Assistance
- Community Discounts
- And more!

Learn more at nlc.org/membership

Thank you!

Contact NLC's Early Childhood
Success team at

ECTeam@nlc.org

Sign up for NLC's Early Childhood
Success Quarterly Newsletter at

[https://www.nlc.org/news-
insights/newsletters/](https://www.nlc.org/news-insights/newsletters/)



INSTITUTE FOR YOUTH,
EDUCATION, AND FAMILIES