Local Financing for Early Learning
A Community Toolkit
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

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

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Category</th>
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<tbody>
<tr>
<td>39.14%</td>
<td>K-12 Education</td>
</tr>
<tr>
<td>21.4%</td>
<td>Health &amp; Human Services</td>
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<tr>
<td>17.69%</td>
<td>Higher Education</td>
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<tr>
<td>11.66%</td>
<td>Justice &amp; Public Safety</td>
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<td>4.62%</td>
<td>Other</td>
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<td>Natural &amp; Economic Resources</td>
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<td>1.99%</td>
<td>General Government</td>
</tr>
<tr>
<td>1.10%</td>
<td>Early Childhood Education</td>
</tr>
</tbody>
</table>

Source: NC Budget and Tax Center
**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)

Source: Division of Child Development and Early Education, NC Department of Health and Human Services
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?
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?
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
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 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

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?