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Ready Louisiana Talking Points for 2021 Legislative Session

A note on how to use the talking points: *The talking points are merely suggestions, not mandates. Please feel free to personalize as appropriate. The only point we want all Coalition members to remain consistent on is our ask:*

Ready Louisiana Coalition's Legislative Ask for Early Care and Education during the 2021 Fiscal Session

1. *Appropriate \$86 million to expand access to quality early care and education programs for CCAP-eligible families.*
2. *Create a robust source of ongoing funding to the Louisiana Early Childhood Education Fund by committing all revenues from sports betting, both in-person and online.*
3. *Continue to use federal stimulus funds to stabilize the early care and education sector, which is critical to our economy and which has lost hundreds of millions of dollars since the beginning of the pandemic.*

Accessible child care means a strong economy:

- Lack of access to affordable, quality early care and education impacts all of us.
- Before COVID-19, studies showed that the state's economy lost \$1.1 billion a year due to child care breakdowns and businesses lost over \$800 million a year.
- Working parents face grim choices, including forgoing meals or borrowing money when trying to afford child care, which can cost almost as much as a public college tuition.
- Children's brains develop 90% before age 5, and children who begin kindergarten behind their peers tend to remain behind. Quality early care and education can make all the difference to our children and our educational systems.

Our economic recovery relies on child care:

- Child care costs almost as much as public college tuition in Louisiana, and is the biggest budget expense for most families with young children.
- Before the pandemic, the state was only serving 15% of the children eligible for the Child Care Assistance Program. Every single step we take to increase this number will make a difference to families, businesses, and the overall economy. For parents to get back to work, the first step is for them to be able to access quality child care.
- Investing in early care and education yields a 13% return on investment and is one of the best uses for our resources. Investing in early care and education matters because:
 - It allows parents to go back to work;
 - It provides businesses with a reliable workforce; and
 - It ensures children enter kindergarten ready to succeed, reducing the likelihood the state will have to pay for remedial education efforts later in that child's life.

Sports betting is an opportunity to transform Louisiana:

- Other states that have legalized sports betting have generated millions in revenue on a monthly basis. New Jersey casinos netted almost \$25 million a month in 2019, generating about \$3 million in tax revenue each month for the state that year.

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- Legalized sports betting is a way to fund early care and education at a robust level without cutting any existing services and only taxing a purely recreational activity.
- Directing the revenue from sports betting into the Early Childhood Education Fund will not only provide our state with an ongoing source of revenue to expand access to quality early care and education, but also incentivize local entities to come to the table, as the fund offers a dollar-for-dollar match on local investments in early care and education.
- The Early Childhood Education Fund was created in 2017 but was not funded at that time. Subsequently, the Legislature created three revenue streams for the fund. However, none of those streams have resulted in a meaningful amount of money to-date.
 - Some revenues from Harrah's casino were supposed to be deposited into the fund after a certain threshold, but that threshold has never been reached.
 - Revenues from CBD sales were added to the fund in 2019.
 - Revenues from fantasy sports betting were added in 2020.
 - However, as of January 2021, the fund had only netted about \$230,000, while New Orleans has raised \$1.5 million for a match and Shreveport is in the process of raising \$1 million. Other cities and parishes are similarly engaging in efforts to expand access to early care and education. To maximize the impact of local investments, the Early Childhood Education Fund should be able to deliver on the state's promised match.
- Sports betting revenues could transform early care and education in Louisiana in just a few years--improving our economy as parents are able to work, benefitting our children during their most critical developmental years.

Why federal funding is not enough:

- The Louisiana child care sector has lost an estimated \$245 million, according to surveys conducted by the Louisiana Policy Institute for Children. The actual number is likely higher, as it may not capture the losses experienced by permanently closed child care businesses.
- Over the course of the pandemic, one-time federal funds have been used to stabilize the child care sector, but cannot support child care over the long term.
- While there is a perception that early care and education has plenty of money due to stimulus packages, the fact is the vast majority of that money is being used to stabilize the child care industry, not increase access for families.
- Despite the availability of federal funding that created financial supports for the child care sector, including SBA loans, PPP loans/grants, and LaCAP grants issued by the Louisiana Department of Education (LDOE), the state had lost 3,300 licensed child care seats as of January 2020.
- The majority of federal one-time money is being aimed at saving child care capacity and helping remaining businesses create new capacity to replace what the state has lost.
- While some federal money can be used to increase access to early care and education for families who need it, it is still one-time money.
- These one-time funds do not address access issues for younger children in the long-term. While some of the federal funding is flexible enough to be used on funding access to quality care, it will run out by the fall of 2024.

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- The one-time nature of federal stimulus money means the state cannot fully invest these federal dollars to expand access to quality early care and education if these additional slots will disappear in a few years. **If there is no plan on how to continue funding access after the federal money is gone, the ability to utilize federal funds now to increase access is severely constricted.**
- This reiterates the importance of committing sports betting revenues to early care and education now. If sports betting revenues are committed to the Early Childhood Education Fund, they can be used to incentivize local investments as sports betting money rolls in over time. These federal funds can act as a bridge between now and when the first funds are available from sports betting in two years.

What can be done with federal funding:

- Federal funding targeting early care and education will be used directly by the Louisiana Department of Education (LDOE), pursuant to federal rules.
- Most of the federal relief funding is targeted toward stabilizing the child care industry.
- LDOE has a plan to use federal funding to support the child care industry, offer financial coaching to businesses to improve their long-term success, make improvements to facilities, and offer a short-term teacher pay supplement to help retain these essential workers who typically make less than \$10 an hour --or less than \$20,000 a year for full-time work.
- It is permissible to use federal funds to increase access to quality care for working parents and their children who need it, which could drastically improve outcomes for children, kindergarten readiness, parental ability to work, and Louisiana's economy. But the federal funds will be gone by fall of 2024.
- In order to begin committing federal money to recurring costs, Louisiana needs a plan on how the state will cover the costs of expanded access once the federal money is gone in the fall of 2024.
- If Louisiana comes up with that plan on how the state will cover expanded access once the federal money is gone, we can begin using federal money now to expand access to families, giving our economy a critical boost as we recover.