



# Financing Prenatal-to-Three Services Local Approaches



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# INTRO

A growing number of community leaders understand that the well-being of young children is directly tied to a community's social and economic advancement. They understand that investing local resources in the earliest years reduces the need for costly, less effective interventions later in life. They're following the neuroscience, which shows that the largest amount and fastest rate of brain growth in a human's life occurs pre-natally through age three. In this short but critical time period, children develop the foundational skills to solve problems, pay attention, work cooperatively, manage their feelings, and express themselves. Community leaders recognize that investments are necessary to achieve these outcomes and, as a result, are prioritizing infants, toddlers and expectant parents to ensure children get their best possible start in life.

Even with strapped budgets, communities are finding ways to provide new capital for initiatives that promote healthy environments in which children can live, learn, and play. Community leaders are working with local lawmakers to find savings in current budgets to put directly towards early childhood services. Some community leaders are working with local lawmakers to get early childhood legislation passed, with the anticipation that dedicated funding will follow. A small, but growing, group of leaders are pursuing local tax options as a new funding source, with the hope that taxpayers will see the value of paying additional taxes.\*

This report profiles a group of communities across the country that have made tangible progress in creating new local PN-3 financing solutions, using different strategies. Some of the communities presented here have already successfully secured additional local funds, with implementation of new PN-3 programs currently underway. Others have made substantial progress, hit some bumps along the way, learned from their setbacks and are continuing the push to secure new funding. We have intentionally included examples of the latter to provide insights on potential pitfalls and ways in which communities that were unsuccessful have refined their strategies. Each community profile provides background information along with a *Lessons Learned/Strategies* section.

None of the solutions presented can be implemented quickly. Financing early childhood initiatives takes vision, advocacy, planning, and implementation phase-in, all of which take time. We hope this resource will help you think of new, creative ways to increase public investment in PN-3 programs and services and to leverage current funding sources in your own community.

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\* The BUILD Initiative, Center for American Progress, Children's Funding Project, Institute on Taxation and Economic Policy, and University of Maryland College Park, Schools of Public Health and Public Policy (2019). *Funding Our Future: Generating State and Local Tax Revenue for Quality Early Care and Education*. Boston, MA: The BUILD Initiative

# FINANCING OPTION: INCREASING REVENUE THROUGH LOCAL BALLOT INITIATIVES

Local ballot initiatives, or referendums, are a way for a community to increase revenue for specific purposes. A local referendum can seek community support for an increase in property or sales taxes, or levy a tax on certain items (e.g., a tax on hotel rooms or a sugary beverage tax on certain drinks). Generally, what drives interest in a revenue referendum is the need to raise additional funding to expand certain services when the current local budget has insufficient funds to cover those services. The next section describes three local referendum efforts: a property tax increase to fund services for children, birth to five, in Kent County, Michigan; a sales tax increase proposal in Alameda County, California, to expand access to high-quality child care and preschool; and a commercial property tax in San Francisco, California to increase the supply, affordability and quality of infant toddler child care.

## Property Tax Primer

**Millage rate.** An amount per \$1,000 of a property's assessed value that is the tax rate applied to local property to calculate property taxes.

**Millage definition.** The term “millage” comes from the Latin word “millesimum,” sometimes abbreviated as “mill”. Millesimum means parts per thousand.

Property taxes are the largest source of revenue for counties, cities, townships, and school districts.

Source: Urban Institute and Brookings Institution, Tax Policy Center. <https://www.taxpolicycenter.org/briefing-book/how-do-state-and-local-property-taxes-work>

## Kent County, Michigan

**Ready by Five Early Childhood Referendum** – In 2018, First Steps Kent, a public-private partnership that works to coordinate early childhood services in Kent County, Michigan, proposed a local property tax, or millage, increase to fund early childhood services and programs to improve the health, social and emotional development, and school readiness of the young children in Kent County.

The referendum proposed to increase the property millage rate within the county by \$0.25 for every \$1,000 of taxable value from 2019 to 2024. For taxpayers with an average home value of \$150,000 in Kent County, the \$0.25 mill rate meant paying an additional \$18.75 per year, or \$1.56 per month. The estimated amount the millage rate increase was expected to raise was about \$5.7 million per year over six years for a total of \$34.2 million.



## Background

For over two decades, a coalition of community leaders worked to increase Kent County's investment in young children. A series of reports released in the 1990s identified the gaps between available early childhood services in the county and the number of families with young children in need of such services. In 2000, the Kent County Board of Commissioners established the Kent County Prevention Initiative. Its areas of focus included family support services, early intervention for children at risk of abuse or neglect, and substance abuse services. The Prevention Initiative received \$2 million annually from the county. Kent was the first county in Michigan to commit resources from the state general fund to services for children and families.

A lengthy process of research, education, and consensus building occurred, which led to the creation of First Steps Kent in 2009, a nonprofit community-based organization dedicated to ensuring that every young child in Kent County enter kindergarten healthy and ready to succeed in school and life.

First Steps Kent brought together a diverse array of partners across sectors, including business leaders, early childhood advocates, parents, public and private community leaders, philanthropists, health service providers, and others. In a nonpartisan manner, stakeholders constructed a framework of needed early childhood support services aligned with data to aid in informing discussions. In making the case for a locally funded early childhood initiative, the partners prioritized helping parents support their children, elevating brain research during a child's earliest years and promoting the return on investment associated with high-quality early childhood programs.

In 2011, First Steps Kent conducted its first gap analysis, which compared the community's capacity to provide early childhood services compared to what was actually needed by the county's children, with updates in 2015 and 2017. This information helped to unite stakeholders behind an action plan and educated the community, including local policymakers, about the policies, programs, and services needed to meet the goal of having every young child healthy and ready to learn.

First Steps Kent hired a local communications firm to help advance a broad-based education and public will-building campaign. This firm prioritized pairing the action plan's recommendations with a funding strategy. In addition, First Steps Kent reached out to other communities within the state and across the country to obtain lessons they had learned about locally financed campaign strategies. They held focus groups within the community and conducted polling to gauge community support. Finally, First Steps Kent County obtained a consensus on officially pursuing the millage as a dedicated source of funding.



## First Steps Kent Pay for Performance Contracts

Meeting milestones and targeted outcome metrics can add up to an additional 5% in payments to a service provider.

- **Fee-For-Service Payments.** Payments are paid on a unit rate basis as a service is provided and invoiced each month.
- **Milestone Payments.** Payments are made based on the extent to which the provider is able to achieve pre-determined programmatic milestone metrics that are consistent with quality implementation and fidelity to its program model. Milestone metrics are contract-specific to fit the varying specifications of each program model.
- **Outcomes Payments.** Additional payments in year two (i.e., a bonus) are paid based on the extent to which the families served by the provider have successful health and well-being outcomes. Outcome payments are contract-specific to fit the varying specifications of each program model. (Play and Learn Community Planning is not currently eligible for outcome-based payments).

Source: First Steps Kent, Ready by Five Preconference Slides, October 2019. [https://www.firststepskent.org/uploads/financial-reports/Ready-by-Five-Preconference-Powerpoint\\_October-2019.pdf](https://www.firststepskent.org/uploads/financial-reports/Ready-by-Five-Preconference-Powerpoint_October-2019.pdf) and Final Questions and Answers, Fall 2019. [https://www.firststepskent.org/uploads/images/Q-As-for-the-Website\\_11-7-19.pdf](https://www.firststepskent.org/uploads/images/Q-As-for-the-Website_11-7-19.pdf)

## How Does It Work?

Funds from the millage aims to accomplish the following:

- Improve children's health services
- Support developmental screening and appropriate referrals and services for all young children
- Enhance quality of early learning
- Coordinate, extend, and enhance the reach of existing early childhood services (using data alignment, evaluation, and quality-improvement metrics)

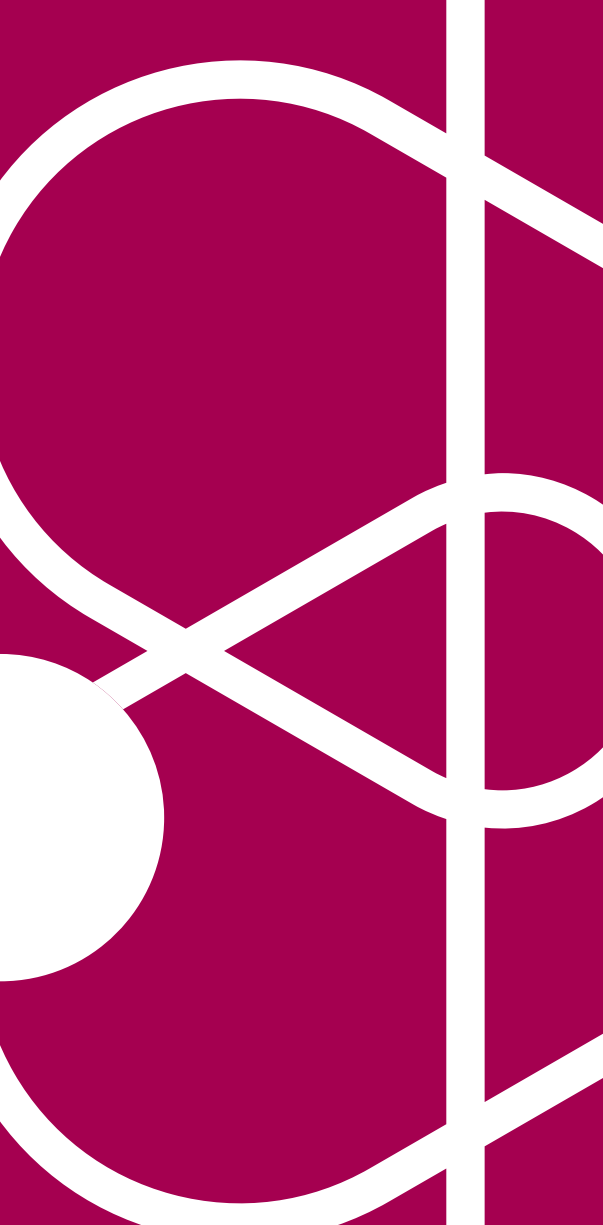
In February of 2018, First Steps Kent filed an official application with the Kent County Board of Commissioners for a referendum to increase the property tax to fund early childhood services. During the spring of 2018, First Kent and community stakeholders gave several oral presentations to the County commissioners, responded to questions, and provided data. On June 28, 2018, the Kent County Board of Commissioners voted 13-5 in favor of putting the millage proposal, which became known as the Ready by Five Early Childhood Proposal, on the November 2018 ballot.

With the commissioners' action, First Steps Kent led a countywide public campaign – Yes Ready by Five. The tagline quickly became “Start Ahead, Stay Ahead.” All stakeholders banded together and worked hard to both educate the public and keep the funding campaign's visibility high. In this effort, the parent voice was critical, as was the endorsement of the Grand Rapids Area Chamber of Commerce advocating for passage of the referendum. Ultimately, on November 6, 2018, the residents of Kent County approved the property tax increase to support early childhood services in a 57% to 43% vote.

## Pay for Performance

First Steps Kent designed a pay-for-performance strategy to ensure that metrics include both meeting milestones and achieving outcomes. Proposals of vendors delivering services are to use evidence-informed strategies (i.e., present evidence of the effectiveness of strategies) and track data.

In year 1, there were opportunities to participate in milestone payments (e.g., enrolling a child in a family below 200 percent of the federal poverty level). By meeting or exceeding the metric, the service provider could earn a certain percentage of the contract rate. In Year 2, the service provider could seek an additional percentage of their contract for meeting outcomes targets (e.g., a child



is enrolled in a home visiting program and the child is up to date with well child visits and immunizations). The Ready by Five allocations are estimated at \$4.6 million in 2020 and \$5.5 million in 2021. An additional \$918,000 will be paid to service providers achieving milestone and outcome metrics in 2020 and 2021.

## Lessons Learned/Strategies

- **Engage Grassroots and Grasstops.** Engage a diverse array of stakeholders from the outset. Support for early childhood initiatives needs to be strong outside of the early childhood advocacy community, not just within. Also, work with everyone who is sympathetic to your cause. Your strategy should span multiple levels of influence. What resonates most may depend on who says it. Therefore, involve multiple types of individuals to relay your message.
- **Data Collection and Analysis.** Conduct a landscape review, including data and benchmark metrics to show gaps in funding and service capacity, and families and young children currently being served compared to those in need.
- **Listen and Learn from Other Communities.** Creating a new funding stream for early childhood can be difficult. However, there are many lessons learned from communities throughout the country. Reach out, connect with others, and benefit from these lessons learned.
- **Wage a Well-Funded Campaign.** Create a campaign budget and stick to it. Fundraising is needed to wage a public education and engagement campaign using the expertise of marketing and grassroots mobilizing specialists.
- **Keep It Simple.** Identify the specific issues that you want to address and keep the messaging simple.
- **Create a Recipe for Community Success.** If there are specific political or historical realities, take those into consideration.
- **Keep it Non-Partisan.** Focus on the selling points of your work. Most people agree that all children should have a healthy start in life. Start there!
- **If at First You Don't Succeed, Try Again.** Not all ballot initiatives will pass, but, often, a first effort can help build a more solid foundation for future efforts. If not successful the first time, review Lessons Learned/Strategies and gear up for a second try!

## Key Action Resources

- First Steps Kent web site <https://www.firststepskent.org/>.
- First Steps background video (history and referendum) <https://cssp.org/resource/successful-strategies-how-kent-county-created-new-funds-for-early-childhood-video/>
- Refocus: Analyzing Gaps in Early Childhood Services and Funding in Kent County, 2017 [http://docs.wixstatic.com/ugd/68151d\\_a74766b-c9ab94213a940ec8c81aa80ec.pdf](http://docs.wixstatic.com/ugd/68151d_a74766b-c9ab94213a940ec8c81aa80ec.pdf).
- Successful Strategies: How Kent County Created New Funds for Early Childhood (brief) <https://cssp.org/resource/successful-strategies-kent-county/>
- Ready by Five Preconference Slides, October 2019 [https://www.firststepskent.org/uploads/financial-reports/Ready-by-Five-Preconference-Powerpoint\\_October-2019.pdf](https://www.firststepskent.org/uploads/financial-reports/Ready-by-Five-Preconference-Powerpoint_October-2019.pdf).

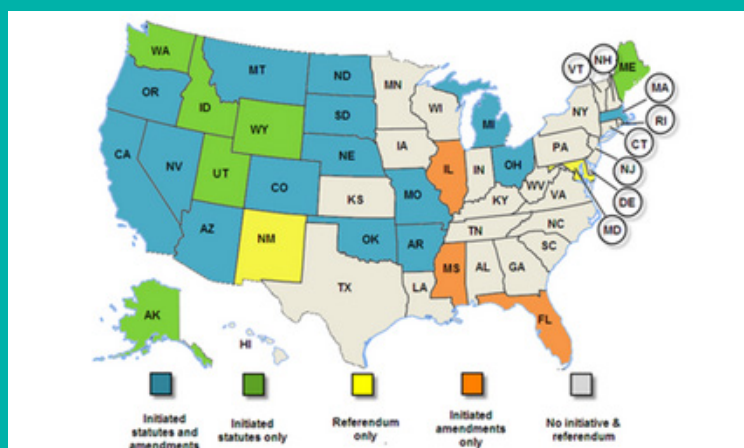
# Alameda County, California

**Child Care and Early Education Ballot Referendum “Measure A”** – In Alameda County, California, only 44 percent of children enter kindergarten ready to succeed. Less than one-third of children in the county have access to licensed child care, the cost of child care is unaffordable (especially for infants and toddlers), and long waiting lists for child care subsidy mean that families can wait years for child care help.

On February 27, 2018, the County Board of Supervisors approved a resolution to add a public referendum to increase the county sales tax to expand access to child care and early education on the June 5, 2018, county ballot. The referendum sought support for a 30-year, one-half cent sales tax that would raise about \$140 million annually to be used to increase access to child care and early education and to increase child care worker wages. The proceeds from the sales tax increase would be allocated to a Child Care and Early Education Fund. A two-thirds vote of approval was needed.

The Alameda County ballot question referred to as “Measure A” was successful in garnering the support of a clear majority of voters (214,955) but fell 1,600 votes short of a 66.6 percent two-thirds majority needed for adoption. With approval by 66.2 percent of voters, advocates hope to garner sufficient support in the near future.

## States with Initiative or Referendum Ability



Twenty-six states, as well as Washington, D.C., allow for initiatives and/or veto referendums.

Source: Ballotpedia, Laws governing ballot measures. [https://ballotpedia.org/Laws\\_governing\\_ballot\\_measures](https://ballotpedia.org/Laws_governing_ballot_measures)

## Background

Parents, early childhood advocates, child care center staff, home-based child care providers, and labor unions sought to improve access to early care and education programs, child care tuition assistance for families, and higher wages for those working in the child care field. Parents wanted more than just the provision of additional child care subsidies to access child care programs. They wanted navigation services that would help parents become informed consumers in order to make well-informed decisions regarding child care options. The other main constituency, organized labor, wanted to improve the extremely low wages child care workers earn, which has contributed to significant staff turnover and challenges in hiring and retaining a qualified workforce.

In the fall of 2017, the County Board of Supervisors directed the General Services Agency's Early Care and Education Program to undertake a Child Care and Early Learning Listening Initiative to better understand the challenges families face in accessing child care and to solicit suggestions from stakeholders throughout the county. Agency staff were directed to develop a plan based on community input and the potential adoption of a sales tax-financed early childhood initiative.

- Nearly 100 meetings were held, reaching over 1,000 people, including parents; community members; teachers; child care directors; family child care providers; family, friend and neighbor providers; and elected officials.
- A 25-member Steering Committee was formed and met bi-weekly from late July 2017 through January 2018. Committee members reviewed draft program components and suggested changes after each round of listening sessions was held.
- Proposals were vetted by a 48-member Advisory Panel, which met three times to provide content expertise and guidance.
- Agency staff collected, logged, and analyzed over 500 feedback forms and several detailed proposals, all of which further informed the development of program components.
- The County Board of Supervisors received presentations throughout the fall of 2017, including three Board retreats (including one in January of 2018).


## Sales Tax Primer

Most states levy sales taxes on the purchase of goods and services (with some exceptions). Throughout 37 states, local governments are allowed to levy local sales taxes.

- In 2016, local governments raised \$118 billion from sales taxes (about \$85 billion from general sales taxes and over \$32 billion from select taxes such as taxes on cigarettes, alcohol, motor fuels, sugary beverages, and marijuana).
- Some local sales taxes on targeted products raise funds for specific purposes (e.g., a motor fuels tax targeted to transportation improvements, tobacco taxes targeted for health care purposes, or a marijuana tax targeted to drug prevention and treatment programs or public safety).

Source: Urban Institute and Brookings Institution, The Tax Policy Center's Briefing Book, The State of State (and Local) Tax Policy, 2019.  
<https://www.taxpolicycenter.org/briefing-book/how-do-state-and-local-sales-taxes-work>





Additional listening sessions were sponsored by parent advocacy groups and the labor community. A consulting firm conducted two phone surveys of 600 likely voters, finding 73 percent support for the initiative.

On February 27, 2018, the County Board of Supervisors voted unanimously to add “Measure A,” a public referendum, to increase the county sales tax to expand access to child care and early education on the June 5, 2018, county ballot. Advocates launched a broad-based public campaign to pass Measure A. A vital part of the campaign was fundraising. The East Bay Community Foundation, Salesforce CEO Marc Benioff, Kaiser Permanente, and the Service Employees International Union were among the major donors in the \$1 million campaign. Despite great effort on everyone’s part, on June 5, 2018, Measure A lost by approximately 1,600 votes. Advocates hope to place the measure on the ballot again in the near future.

### **How Would the Proposal have Worked?**

Measure A would have increased the county sales tax by a half cent for the next thirty years. The current sales tax ranges from 9.25-9.75 cents (which also includes the state sales tax of 6 percent). Measure A was estimated to have provided \$140 million annually through an additional half penny increase. The measure would have allocated revenues to a Child Care and Early Education Tax Fund, and a citizens’ advisory committee would have been created to annually review the spending of sales-tax funds, the required annual audits, and disclosure of public spending.

Measure A would have accomplished the following:

- Expanded access to child care and preschool for homeless families with young children and prioritized low-income families for child care scholarships,
- Reduced child care and early education waiting lists, especially for infants and toddlers,
- Re-established a centralized eligibility list for more equitable access to new and existing scholarships,
- Improved quality by expanding training and coaching for the child care workforce and by increasing wages to at least \$15 an hour, and
- Improved mental health services and parent, family, friend and neighbor support services

## Lessons Learned/Strategies

- **Community Engagement.** There was strong support across a broad-based group of stakeholders. However, continued work to further broaden support among nontraditional allies remains important.
- **Data Collection and Analysis.** Conducting a landscape review, including data and benchmark metrics, is an important tool to show gaps in funding, service capacity, and number of families and young children served compared to those in need. Continued data collection is necessary for future potential referendum efforts.
- **Fine-tune messaging.** Keep the message as simple as possible and use the weeks and months ahead to test messages that may resonate more broadly to increase support within the community. Avoid framing your message as a crisis. Instead, use a positive frame such as “all children deserve a healthy start in life” or “our future prosperity as a county depends on our next generation entering kindergarten ready to succeed.”
- **Wage a Well-Funded Campaign.** Fundraising is needed to wage a public education and engagement campaign. Hire marketing and grassroots mobilizing specialists.
- **Create a Recipe for Community Success.** If there are specific political or historical realities, take those into consideration. Some commented that “tax fatigue” may have been at play due to several recent tax initiatives. Use the time ahead to plan strategies to overcome these feelings if they exist.

- **Continue Building for Future Efforts.** Even if a ballot initiative fails to pass, advocates can use the information on how specific precincts voted for strategic planning and targeted outreach in the future. It’s tough to lose by a small margin, but a first effort can help build a foundation for future efforts. In 2012, Measure B1, an Alameda County half-cent sales tax increase to be used for transportation purposes, won 66.53 percent of the vote – losing a two-thirds majority by 721 votes. Two years later, the measure was brought to the public again and won support with nearly 71 percent approval by voters. Don’t give up. It’s not unusual to fail the first time around. Regroup, fine-tune, and try again!

## Key Action Resources

- Alameda County Child Care and Early Education Initiative: A Countywide Revenue Measure, January 2018 <https://www.acgov.org/ece/documents/AlamedaCountyECEPowerPoint.pdf>.
- Alameda County Child Care and Early Education Crisis (one pager) 2017 <https://www.cde.ca.gov/sp/cd/ce/documents/alamedafactsheet.pdf>.
- Center for the Study of Child Care Employment, University of California, Berkeley, 2016 Alameda County Child Care and Early Education Workforce Study <https://cscce.berkeley.edu/files/2017/03/Alameda-County-Workforce-Study-2016.pdf>.
- Alameda County Board of Supervisors, Child Care and Early Education Resolution, February 27, 2019 <https://www.acgov.org/ece/documents/Resolution-ChildCareandEarlyEducationInitiative.pdf>.



## San Francisco, California

**The Early Care & Education for All Initiative** – On June 5, 2018, Proposition C, a citizen’s initiative to increase taxes on the lease of commercial property with annual gross receipts over \$1 million (with some exceptions) was approved by a 50.87 percent majority of the 236,284 individuals in the city who voted.

The gross receipts tax concept was not new. San Francisco had levied a payroll expense tax until November 6, 2012, when voters scrapped the payroll tax and replaced it with a progressive gross receipts tax. What was new was an add-on tax to the gross receipts tax dedicated specifically to raise funds for child care and early education. The June ballot measure applied an additional gross receipts tax of 1 percent on the amount a business receives from the lease of warehouse space and 3.5 percent on the amount a business receives from the lease of other commercial spaces – estimated, in total, to raise about \$146 million in annual revenue.

As part of Proposition C, the Early Care & Education for All Initiative would receive 85 percent of the funding and the City of San Francisco would receive 15 percent. The Early Care & Education for All Initiative would help low-and moderate-income families with young children afford child care (particularly families with children from birth through age three), invest in quality-improvement activities, and increase compensation for the child care workforce serving children birth through five.

The city certified the vote because more than a majority had voted in favor of Proposition C. On August 3, 2018, a complaint was filed to invalidate the tax because the plaintiffs felt that the threshold for adoption should have been support by two-thirds of voters, not half. On July 5, 2019, Superior Court Judge Ethan Schulman ruled that citizens’ initiatives need only a simple majority for adoption – not a super-majority of two-thirds.



## Background

San Francisco has a long history of innovative approaches to financing early childhood initiatives. In 1991, San Francisco was the first city in the United States to pass a “Children’s Amendment,” dedicating local funding for children every year in the city budget. The Children’s Fund was renewed in 2000 by a 74 percent vote and renewed again in 2014 also by 74 percent but this time renewed for the next 25 years. The fund was renamed the Children and Youth Fund.

The Children and Youth Fund sets aside 4 percent of local property taxes each year for services for families with children. Funds are used to support children under age 18 and disconnected youth up to age 25. The city of San Francisco is required annually to establish a Children and Youth baseline budget and is prohibited from cutting funds below the baseline and supplanting any new resources. A 5-year planning process is required for children’s services. Also required is a community needs assessment, evaluation, an oversight committee, and widespread community input.

The history of the children’s movement in San Francisco was solidly grounded in grassroots support, with 68,000 signatures collected to in support of the Children’s Amendment.

In 2004, San Francisco voters passed the Public Education and Enrichment Fund (PEEF or Prop H). PEEF, among other priorities, allocated \$20 million per year to First 5 San Francisco to create Preschool for All (PFA) to ensure that all San Francisco four-year old children could attend quality preschool. In 2013, former Mayor Ed Lee established the San Francisco Office of Early Care and Education (OECE) to better align programs and funding streams to ensure that the City provides high-quality early education programs for children birth to five.

In 2014, the passage of Proposition C (the Children and Families First Initiative) established a new goal for the City and County of San Francisco to “provide all children between the ages of three and five years who are City residents the opportunity to attend quality early education programs, giving priority to four year old children.”

Despite this work among early childhood advocates and the San Francisco community, the high cost of living in San Francisco continued to present difficult challenges for families with young children – particularly in accessing affordable child care.



- The supply of licensed infant and toddler care reaches only 15 percent of San Francisco’s youngest children,
- Nearly half of San Francisco families with young children struggle to access child care, with the annual cost averaging \$26,034,
- Over 3,200 children who are eligible for state and federal subsidies in San Francisco remain on a waiting list due to insufficient funding, and
- The child care workforce earn low wages, and many qualify for public assistance.

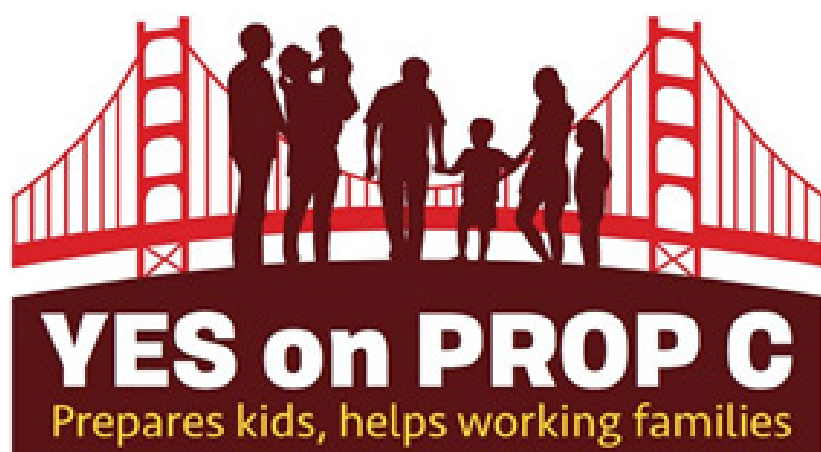
Years of solid, non-partisan, broad-based coalition building in support of child care and early learning led to San Francisco Supervisor Jane Kim and Norman Yee leading a citizens’ initiative campaign for Proposition C, which was initially known as the Universal Childcare for San Francisco Families Initiative. Board of Supervisors President Yee submitted 1,888 initiative petitions to the Department of Elections bearing 18,313 signatures in total. The threshold to call for a citizens’ initiative was 9,485 signatures – 5 percent of the number of voters in the last mayoral election.


On June 5, 2018, Proposition C was approved, receiving 50.87 percent of the vote. On August 3, 2018, the Howard Jarvis Taxpayers Association, the Building Owners and Managers Association of California, the California Business Properties Association, and the California Business Roundtable filed a “complaint to invalidate” Proposition C based on their belief that the threshold to approve the vote should have been a two-thirds majority, not a simple majority vote. They claimed it was not “a real” citizens’ initiative because Supervisors Kim and Yee were involved – and therefore, the initiative should have been subject to the same two-thirds requirement that would apply had the Board of Supervisors approved it.



Judge Schulman wrote, *“The Plaintiffs’ argument is inconsistent with the plain language of the [San Francisco] charter and the governing provisions of the California Election Code, which draw a clear distinction between measures proposed by the voters by initiative petition and measures proposed by a legislative body such as the San Francisco Board of Supervisors or the Mayor.”* The distinction he made was that either the Legislature or the voters can place a measure on the ballot. When the Legislature places a measure on the ballot, the initiative is subject to a two-thirds vote of approval. When a citizens’ initiative causes a measure to be on the ballot, the threshold is a majority vote. The involvement of Supervisors Kim and Yee as citizens was not prohibited. Thus, as citizens, it was acceptable for them to be involved in a citizens’ initiative.

A summary judgment hearing was held on July 3, 2019. Advocates throughout the city joined in a rally outside the courthouse filled the courtroom in support of Proposition C. On July 5, 2019, Judge Schulman ruled that “Proposition C was a valid citizens’ initiative under the express terms of the San Francisco Charter and state law, and neither the Charter nor the California Constitution required a two-thirds vote for its passage.”





## What's Next for the Early Care & Education for All Initiative

The tax on commercial rents to fund child care and education went into effect on January 1, 2019. With uncertainty about the court case, funds were put aside pending the judicial outcome. But that didn't mean that nothing was happening. Planning began and proceeded full steam ahead.

On September 12, 2018, the Board of Supervisors approved an ordinance to start the planning process. The Office of Early Care and Education (OECE) was charged with designing a process to develop a plan. Funds from the gross receipts tax were directed to be deposited in a Babies and Families First Fund. OECE was directed to engage community partners, including families, child care providers, nonprofit organizations, philanthropists, the Child Care Planning and Advisory Council (CPAC), First 5 San Francisco, academics, and other experts, to come up with a five-year spending plan for the Early Care & Education for All Initiative within nine months. Specifically, the plan was to address the following:

- Providing support for quality child care to all San Francisco children under the age of six from households with incomes at or below 85 percent of the state median income,
- Providing support for quality child care for all San Francisco children under the age of four whose families earn up to and including 200 percent of the area median income (in a manner proportionate to family income),
- Providing financial support for measures to increase compensation of the child care workforce by not less than 10 percent, with an ultimate goal of achieving parity in compensation with K-12 educators having commensurate experience, in a manner designed to improve the quality and availability of early care and education, and
- Undertaking other measures designed to improve quality child care that support the physical, emotional, and cognitive development of San Francisco children under the age of six.

The spending plan will include metrics designed to evaluate the effectiveness of the Initiative and each of its specific components. A report is to be issued annually, which is to be reviewed by OECE's Citizens Advisory Committee so that its members have the opportunity to provide recommendations.

Throughout 2018 and 2019, thousands of San Francisco residents had an opportunity to provide suggestions for the plan.

## Key Action Resources

- What is the Early Care & Education for All Initiative? Office of Early Care and Education <https://sfoece.org/2018/11/28/san-francisco-proposition-c-early-care-and-education-for-all-initiative/>
- Guide to Qualifying San Francisco Initiative Measures (Department of Elections). [https://sfelections.sfgov.org/sites/default/files/Documents/candidates/Nov%202018/Nov2019\\_Initiative\\_Guide.pdf](https://sfelections.sfgov.org/sites/default/files/Documents/candidates/Nov%202018/Nov2019_Initiative_Guide.pdf)
- San Francisco Citywide Plan for Early Care and Education 2016 <https://www.sfhhsa.org/file/2101/download?token=tQ58zZJA>
- San Francisco Comprehensive Fiscal Analysis: Analysis and Recommendations 2016 <https://sfoece.org/wp-content/uploads/2020/02/CFA-Report.pdf>
- Proposition C, a citizens' initiative to increase taxes on the lease of commercial property to fund early care and education June 5, 2018 [https://ballotpedia.org/San\\_Francisco,\\_California,\\_Proposition\\_C,\\_Commercial\\_Rent\\_Tax\\_for\\_Childcare\\_and\\_Early\\_Education\\_\(June\\_2018\)](https://ballotpedia.org/San_Francisco,_California,_Proposition_C,_Commercial_Rent_Tax_for_Childcare_and_Early_Education_(June_2018))
- Ordinance amending the Administrative Code to establish the Early Care and Education for All Initiative, to be funded by appropriations from the Babies and Families First Fund September 2018 <https://sfbos.org/sites/default/files/o0231-18.pdf>
- San Francisco Early Care and Education for All Initiative Proposed Approach and Design for Developing the Five-Year Spending Plan, November 2018 [https://sfoece.org/wp-content/uploads/2020/02/OECE\\_Approach-Design\\_for\\_Developing\\_Five-Year\\_Spending\\_Plan\\_11-5-18-compressed.pdf](https://sfoece.org/wp-content/uploads/2020/02/OECE_Approach-Design_for_Developing_Five-Year_Spending_Plan_11-5-18-compressed.pdf)
- Early Care and Education (ECE) for All Newsletter #2, Spring 2019 [http://sfcpac.org/wp-content/uploads/2019/05/OECE-Newsletter\\_2.pdf](http://sfcpac.org/wp-content/uploads/2019/05/OECE-Newsletter_2.pdf)
- Superior Court State of California ruling, July 5, 2019 <https://www.sfcityattorney.org/wp-content/uploads/2019/07/June-2018-Prop-C-Decision.pdf>

## Lessons Learned/Strategies

- **Build a Broad-based Coalition.** A broad-based coalition representative of all stakeholders within the community is critical, particularly in pursuing citizen initiatives. (e.g., a broad-based coalition will make it easier to conduct outreach to garner the signatures necessary to have a ballot petition filed).
- **Take the Initiative.** With a broad-based coalition, take the initiative – politicians may join you or follow your lead.
- **Do Your Homework.** Be strategic and data-driven. Collect data and continually update it. Identify gaps in services and propose pragmatic ways to close the gaps.
- **Educate Continuously and Remain Nonpartisan.** Education is a huge part of the work. Help your community understand the issues and how much they matter to individuals, to families, and to society. Develop messages that resonate such as “Yes on Prop C – Prepares kids, helps working families.”
- **Identify a Specific Funding Source.** A local dedicated funding stream can help transform a dream into a reality. Become knowledgeable about local funding options and the rules under which those options can succeed.
- **Nothing Ventured, Nothing Gained.** Be bold and persistent. Engage the voices of parents and non-traditional partners. Build a budget to wage a public campaign. Each success is a milestone from which to build future efforts. Keep the drumbeat rolling over time and provide public transparency with results – e.g., a public data dashboard helps document success. There are many ups and downs, be resilient, flexible, and nimble. And never give up!



# FINANCING OPTION: INCREASING REVENUE THROUGH PROPERTY TAXES & GENERAL REVENUE

Property taxes are the largest source of revenue for counties, cities, townships, and school districts. In 2016, \$487 billion was raised by local governments through property taxes. While counties in 45 states collect property tax revenue, many states restrict some aspect of a local government's ability to increase property taxes (e.g., some states impose a limit on assessments such as placing a cap on increases in assessed value; some states cap tax rates or rate increases, establish a maximum allowable rate, or limit overall levies; and some states employ a combination of these restrictions). Advocates interested in potentially pursuing an initiative that would be financed by an increase in local property taxes should make it a point to find out any applicable state restrictions. The next section describes an early childhood initiatives in Mecklenburg County, North Carolina, and Onondaga County, New York funded in part by a property tax increase and in part by the county general revenue.





# Mecklenburg County, North Carolina

**Mecklenburg County, NC, Action Plan for Early Childhood Education** – Mecklenburg County, North Carolina, committed to a comprehensive plan to invest in early childhood from birth to age five. The county government and a broad-based early childhood stakeholder executive committee developed a 5-point plan to eliminate the child care subsidy waiting list for children under age five; implement high-quality voluntary, universal public pre-k in community-based settings; invest in talent development to grow and strengthen the early education workforce; embed a short- and long-term evaluation plan; and identify potential funding sources to be considered.

As part of the FY19 county budget, the Mecklenburg County Board of County Commissioners increased the property tax rate by three-quarters of a penny from 81.57 cents per \$100 of assessed value to 82.32 cents per \$100 of assessed value, which raised more than \$9 million for public pre-k (“MECK Pre-K”) for 4-year-old children. In addition, the county allocated \$6 million for child care assistance to reduce the waiting list for young children.

As part of the FY20 county budget, an additional \$21 million was approved by the Board of County Commissioners for child care assistance for children under five and public pre-k, which meant an overall funding level for early childhood education of \$36.9 million in FY20.

## Mecklenburg County Commission Resolution Supporting Early Childhood Education

“It is hereby resolved that, the Mecklenburg Board of County Commissioners supports early childhood education in Mecklenburg County for all resident children from birth to age five (5) and developing and advancing a community vision for early childhood education, including identifying reliable funding mechanisms and developing a phased plan for achieving that community vision.”

Resolution adopted, December 20, 2016



## Background

A 2014 economic mobility report written by researchers at Harvard University and the University of California Berkeley ranked Charlotte, North Carolina, 50th out of 50 major U.S. cities (i.e., the bottom of the list) with regard to intergenerational economic mobility (e.g., children born poor were likely to remain poor as they aged). This report spurred Mecklenburg County to create an economic opportunity taskforce focused on increasing economic opportunity for families with children throughout the county. The taskforce chose three areas of focus in which to change the life-trajectory for a child—access to early childhood education was one of them.

During the same time the task force was meeting, the early childhood community initiative gained momentum when the Board of County Commissioners passed a resolution in support of access to early childhood education in December of 2016. A feasibility study was funded by the Charlotte Executive Leadership Council (CELC), a group of 24 leading CEOs whose funding helped to jumpstart a landscape review, countywide polling, 12 focus groups, and, ultimately, the development of a 5-point community plan.

The county manager assembled a broad based early childhood executive committee, which included County Commissioners, business leaders, faith leaders, child care and Head Start directors, school district officials, higher education representatives, early childhood advocates, and philanthropists. The group met for two years (and continues to convene to review options in the birth-three space).

In 2017, a broad array of focus groups were held to better understand challenges and potential opportunities through the lens of parents, child care center directors, child care center staff, family child care providers, child care technical assistance specialists (onsite consultants), the faith community, higher education (the Central Piedmont Community College and the University of North Carolina Charlotte), and business leaders. Two of the focus groups with parents were conducted in Spanish. Focus groups revealed challenges related to early learning access for families with young children, hiring and retaining staff (in child care and public pre-k), transportation for pre-k students, pay parity for early childhood educators, the need to build an early educator workforce pipeline, and more.

## Gauging Public Interest

A countywide poll of 1,000 individuals found broad support for expanding access to and funding child care and public pre-k – showing strong support across all age groups, genders, income levels, and political parties and among parents having young children and individuals not having young children. In fact, more than 70 percent of respondents said they would be willing to pay \$10 more in taxes each month to increase access to high-quality child care and public pre-k. Advocates credit the polling with helping to advance the issue and showing policy-makers that revenue-raising initiatives to invest in early childhood education would have broad support in their community.

In September 2017, the county’s Early Childhood Education Executive Committee issued a 5-point action plan for early education.

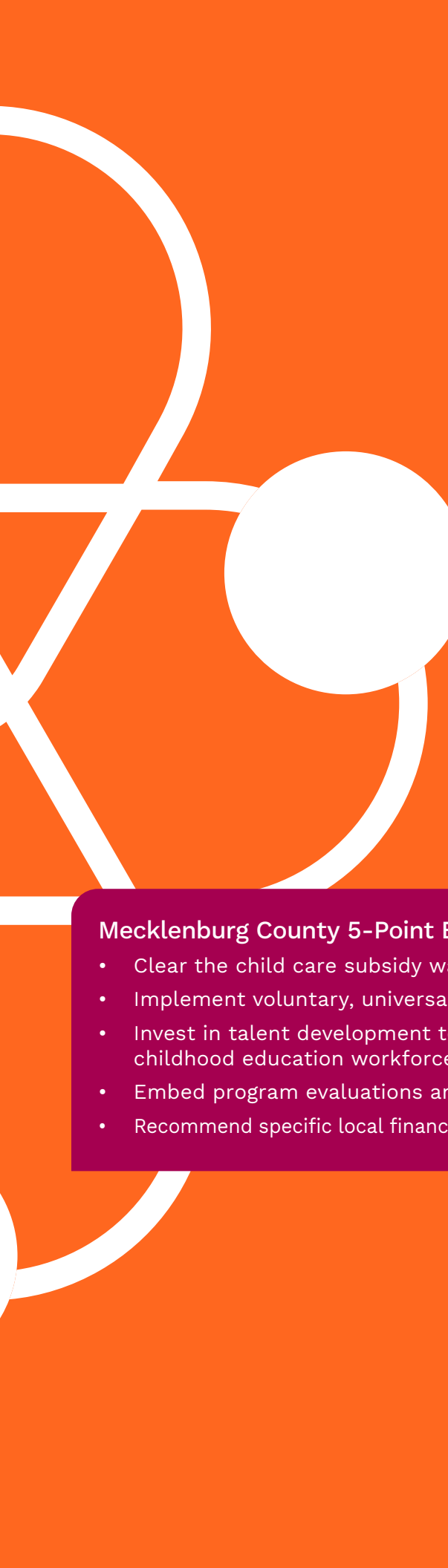
Following the plan recommendations, on June 19, 2018, the Board of County Commissioners voted as part of the FY2019 county budget to increase the property tax by three-quarters of a penny to support the first year in a six-year pathway to implement voluntary, universal public pre-k, known as MECK Pre-K. The property tax increase was a \$9 million down payment to begin the journey of voluntary, universal, public pre-k in child care settings.

Also as part of the FY19 county budget, the Board of County Commissioners allocated \$6 million to reduce the county child care subsidy waiting list for families with children under age five.

In February of 2019, the early childhood executive committee released a progress report on the first-year implementation of the initiative and also included recommendations for second-year funding for both child care and MECK Pre-K. On June 4, 2019, the Board of County Commissioners approved the county FY20 budget, which included an increase of \$21 million, with \$14 million of these funds going directly to eliminating the child care subsidy waiting list for children under five. This brought the total second-year investment in early childhood education in the County to about \$36.9 million.







A key recommendation in the community's 5-point plan was to create an early educator workforce pipeline and invest in talent development for a strong child care and public pre-k workforce. Shortly prior to the Board's adoption of the FY20 county budget, Foundation for the Carolinas President and CEO Michael Marsicano announced that 18 Mecklenburg County companies had raised \$6.2 million to support early educator workforce college scholarships to provide the pathway for talent development and higher education. The scholarship funding is designed to support teachers interested in obtaining their Associate's degree and/or Bachelor's Degree by covering tuition and related expenses for books, materials, transportation, and stipends for child care assistance (for early educators with young children) to pursue coursework at UNC Charlotte and Central Piedmont Community College. In addition, PNC Bank offered nearly \$300,000 to provide similar support for teachers with a B.A. in early childhood who need to obtain their Birth through Kindergarten license.

In addition, throughout 2019, the early childhood education executive committee has been meeting to identify priority recommendations to support healthy child development and strong families with children birth to three. The discussions have included: two-parent involvement, pre-and post-natal health, financial security (getting on a path to a living wage and income), affordable housing, mental health, and navigating systems for access to services. Recommendations for the Board of County Commissioners to consider are expected in 2020 for the FY21 budget and beyond.

### Mecklenburg County 5-Point Early Childhood Action Plan

- Clear the child care subsidy waiting list for children under age five.
- Implement voluntary, universal public pre-k for all 4-year-old children over a 6-year period.
- Invest in talent development to broaden the pipeline and strengthen the quality of the early childhood education workforce.
- Embed program evaluations and provide public transparency.
- Recommend specific local financing options to fund a birth-to-five early childhood education initiative.



## How Does it Work?

Nearly 1,690 children under five are receiving child care subsidies with county funding, an increase of 191 percent from June 30, 2019. In addition, over 800 families with children under age five on the county waiting list were invited to apply for funding with the goal of clearing the child care subsidy waiting list. This effort has proven to be challenging at times since the waiting list at any particular point in time is a snapshot of that time period (e.g., as more families are supported, others in the community hear about it, and therefore the number of names on the waiting list can rise or decrease at any point).

Funding is decided by the Board of County Commissioners annually and is generally approved in June for the next county fiscal year beginning in July. Commissioners review the operations of the child care and public pre-k initiatives and make annual decisions about ongoing operations and/or expansion.

## Lessons Learned/Strategies

- **Community Engagement.** Early childhood advocates had been working for years in support of an expansion of early childhood education programs. What made this initiative really move forward was engagement and leadership by the County Board of Commissioners and the business community, joined by early childhood advocates to move past drafting recommendations to actual funding.
- **County Commissioner Leadership.** The Chairman of the Board of County Commissioners at the time, Trevor Fuller, called for an early childhood education initiative as part of his “state of the county” vision address in February of 2016. The county manager, Dena Diorio, assembled a broad-based early childhood education executive committee. There is no doubt that this initiative moved forward based on Mecklenburg County leadership and commitment.
- **Business Leader Engagement.** The Charlotte Executive Leadership Council (CELC) was an early and vocal supporter of expanding access to early childhood education. The initial feasibility study was funded by the CELC, which paved the way for funding recommendations, County Commissioner consideration, and ultimately the funding needed to begin implementation of the initiative. CELC members also served on the early childhood executive committee. Thus, business leader engagement has been central to all aspects of the initiative.

- **Polling and Focus Groups.** Critical to informing the recommendations were the polling results and also the information shared through the focus groups. The polling helped to share the pulse of the community with the Board of County Commissioners, and the 5-point plan incorporated strategies to address the challenges expressed within the focus groups. Both were critical pieces in moving the project forward.
- **Higher Education.** Having Central Piedmont Community College and UNC Charlotte as part of the early childhood executive committee helped develop pathways to higher education, which is a core piece to building the early childhood education workforce pipeline. Being part of the committee helped foster conversations, coordination, and collaboration in new ways. UNC Charlotte redesigned its birth to kindergarten licensing program to better meet the needs of the workforce (e.g., offering an expedited pathway, offering classes at night and on weekends - all came about as a result of the conversations had in committee).
- **Evaluation.** Incorporating a strong evaluation strategy helped ensure that public investments would be held accountable for results – a key concern supported by the polling and also advocated for by business leaders. In addition, there was strong agreement that evaluation results could also help strengthen strategies where warranted.
- **It Takes Everyone Joining In.** One of the biggest Lessons Learned/Strategies from working on the initiative is – if there’s a will, there’s a way. However, it takes everyone joining in to add their expertise, experience, passion, and willingness to translate a vision into reality. It’s doable!

## Key Action Resources

- Creating Opportunity: An Action Plan for Early Childhood Education, a report by the Mecklenburg County Early Childhood Education Executive Committee, September 2017 <https://www.mecknc.gov/news/Documents/ECE%20Full%20Report%20Creating%20Opportunities%20FINAL%20Sept%2026%202017%20%281%29.pdf>
- Mecklenburg County Early Childhood Education Public Opinion Poll Result Summary, September 26, 2017 <https://www.mecknc.gov/news/Documents/ECE%20Report%20County%20Poll%20Summary%20FINAL%20Sept%2026%202017.pdf>
- Mecklenburg County, NC FY19 Adopted Budget, June 2018 <https://www.mecknc.gov/CountyManagersOffice/OMB/PriorBudgets/Documents/FY2019.pdf>
- Implementation Progress Report: Mecklenburg County Action Plan for Early Childhood Education, 2019 Update, a report by the Mecklenburg County Early Childhood Education Executive Committee, February 2019. <https://www.mecknc.gov/news/Documents/ECE%20update%20Feb%202019.pdf>
- Mecklenburg News, MECK Pre-K Makes \$6.2m Private Fundraising Goal, June 4, 2019 <https://www.mecknc.gov/news/Documents/ECE%20update%20Feb%202019.pdf>
- Mecklenburg County-Funded Child Care Subsidy FY20 Update, November 20, 2019 <https://www.mecknc.gov/news/Pages/Mecklenburg-County-Funded-Child-Care-Subsidy-FY20-Update-.aspx>



**The county budget together with private and philanthropy support will increase funding for early childhood services by more than \$2.3 million**

## Onondaga County, New York

**Onondaga County Early Childhood Initiative** – In Onondaga County, New York, third grade reading scores for all children are well below the state average and large gaps exist by income, race, and ethnicity, and these disparities are even greater in the city of Syracuse. Less than one-third of eligible children under age five have access to child care subsidies and the cost of child care, particularly infant and toddler care, is unaffordable for many families. To promote a community “where all children are healthy, thriving and ready to succeed in school,” the community galvanized around a multi-pronged approach to support healthy child development – particularly among infants and toddlers.


In October 2019, the Onondaga County Legislature approved the 2020 county budget proposed by County Executive Ryan McMahon. The budget included an increase of \$1.5 million to fund Talking is Teaching: Talk, Read, Sing to increase parents’ and caregivers’ daily reading with young children; Help Me Grow Onondaga to increase development screenings, referrals and follow-up to community based services where warranted; a parent leadership initiative; and three child care quality improvement pilots to strengthen the quality of child care for infants and toddlers. The county budget together with private and philanthropy support will increase funding for early childhood services by more than \$2.3 million.

### Background

For years, Onondaga County, particularly the city of Syracuse, struggled with high poverty, including intergenerational poverty, low elementary school reading and math test scores, and affordability challenges regarding families attempting to access high-quality child care.

The Early Childhood Alliance (ECA) Onondaga was formed in 2015 following the release of a report, “Early Childhood and School Readiness: Creating a Community Where All Children Thrive by Five” by the Onondaga Citizens League, which described in detail Onondaga County’s fragmented array of early childhood programs and funding streams. The report called for a common vision and goals guided by a strategic plan informed by data driven strategies to ensure that all children throughout the county enter kindergarten ready to succeed. ECA was charged with developing a collaborative community vision and specific strategies aligned with that vision. County Executive McMahon named addressing the affordability of child care as one of his top priorities for 2020.





**A**ddressing quality in legally exempt care was of particular importance because nearly one-third of children under five whose care is paid for with a subsidy in Onondaga County are in legally-exempt care

## Building a Cross-Sector Coalition

The charge meant building a cross-sector coalition to support healthy children, strong families, and access to high-quality child care and early learning. Onondaga County approached the task by including municipal and county leaders, business leaders, academic and nonprofit leaders, members of the philanthropic community, and other key stakeholders to develop an early childhood action plan for 2016-2020. They formed committees to address child care, developmental screenings, home visiting and parenting supports, and reducing unintended pregnancies.

In May 2017, the Early Childhood Alliance launched the national Talking is Teaching: Talk, Read, Sing campaign developed by Too Small To Fail to support parents to promote early brain and language development in their children. In January 2019, the Early Childhood Alliance launched Help Me Grow Onondaga to strengthen ways families navigate and access community services, including developmental screenings, referrals, and follow up services for children.

## Gathering the Evidence

A key part of the community's work was to develop strategies to strengthen high-quality child care. This included developing strategies related to improving the quality of legally exempt care, a category of child care authorized by New York State for children whose care is paid for through child care subsidies in an unlicensed setting. Addressing quality in legally exempt care was of particular importance because nearly one-third of children under five whose care is paid for with a subsidy in Onondaga County are in legally-exempt care.

With funding from the Health Foundation for Western and Central New York, the Early Childhood Alliance partnered with Child Care Solutions, a nonprofit child care resource and referral agency with a 40-year history of supporting families and child care providers throughout the county. The insight and experience of Child Care Solutions spearheaded a landscape review of early learning settings and recommendations throughout 2018-2019.

### Early Childhood Alliance Onondaga

ECA is led by a 30-member coalition informed through more than 200 community stakeholders engaged through five working groups. A steering committee oversees the work groups as well as their approaches toward the development and implementation of specific strategies. In addition, the ECA has a 20-member business council that offers advice and brings a business leader lens.

In the fall of 2018, Child Care Solutions and the Early Childhood Alliance held a series of stakeholder meetings with child care center directors, registered and licensed family child care home providers, community college faculty, the ECA business council, the Child Care and Early Learning Committee and Early Childhood Alliance partners to identify both barriers and opportunities to strengthen the quality of child care. Throughout the 2018-2019 period, the Onondaga County Department of Social Services – Economic Security department (agency that administers child care subsidy) shared data as well as insights and experience in serving low income families.

In February of 2019, Child Care Solutions and the Early Childhood Alliance surveyed parents, child care center directors, center-based child care staff, and family child care providers to seek their input on child care related challenges. Community mapping was developed to reveal family access (or lack of access) to child care. The mapping showed the locations of various early learning settings and included map shading based on poverty levels, family employment status, and concentrated areas where legally-exempt care was operating. Ultimately, a report was released in June of 2019, Transforming the Early Childhood Landscape in Onondaga County to Promote School Readiness, which included 10 recommendations to support healthy child development across child care settings.

### **Preparation Meets Opportunity**

The Early Childhood Alliance and advocacy partners used the recommendations from the school readiness report in discussions with County Executive Ryan McMahon as he sought to develop the 2020 county budget. Because the County Executive had identified a PIE initiative (addressing poverty, modernizing infrastructure and creating new economic development opportunities) as his primary goals in developing the budget, advocates were able to connect child care strategies with the goals of reducing poverty and promoting economic development. It was helpful that the County Executive, a 39 year-old community leader, had young children, and in particular a child under the age of three, and fully understood that access to quality child care helps support school readiness and school success.





“We want to step on the gas.”

In September of 2019, County Executive McMahon’s proposed 2020 budget reduced the county property tax rate from \$5.04 to \$5.00 per \$1,000, a historic low. However, because property assessments increased 4.2 percent, additional funding was made possible for new initiatives. Included in the County Executive’s budget was \$1.5 million for Talking is Teaching, Help Me Grow Onondaga, three child care quality pilots (a center-based initiative, a family child care home-based initiative, and a legally exempt care initiative) as well as an Early Childhood Parent Leadership initiative to engage parents in developing community level early childhood strategies. An additional \$855,000 from private and philanthropic contributions adds up to a little over \$2.3 million in new funds to strengthen early childhood services throughout the county. The 2020 county budget was approved by the County Legislature on October 9 and went into effect on January 1, 2020.

### How Does It Work?

Onondaga County’s Early Childhood Initiative will invest in young children and their families when it matters most. The 2020 budget will support new parents so their children are healthy and ready for kindergarten; provide health and developmental screenings along with referrals and follow-up services; strengthen the quality of child care through three pilots; and provide support for a better coordinated and effective early childhood system.

- **Talking is Teaching** – A universal strategy that will reach thousands of parents and caregivers. The targeted strategy will work with 1,000 families through home visitors and 3,000 parents through pediatric practices. The goal is to increase the amount of reading on a daily basis with young children.
- **Help Me Grow Onondaga** – Help Me Grow will increase the amount of developmental screenings and more families and children will be effectively referred and linked to services. The goal is to increase the number of screenings and referrals (where warranted) to services for children who have or who may be at-risk for developmental delays.
- **Child Care – Center Based Pilot** – A center-based infant and toddler child care pilot will target 3-5 centers that have high levels of children receiving subsidy to receive comprehensive support to strengthen the quality of child care (e.g., curriculum support and training, support to engage in ongoing child assessments and strong teacher-child interactions, and business technical assistance to strengthen program economic viability). Directors and teachers will receive compensation increases to ensure that programs can hire and retain high-quality staff with the goal of improving school readiness and child outcomes.

## Key Action Resources

- Early Childhood and School Readiness: Creating a Community Where All Children Thrive by Five, Onondaga Citizens League, 2013 <http://onondagacitizensleague.org/wp-content/uploads/2013/09/OCL-2013-final-copy-for-web.pdf>
- Early Childhood Action Plan 2016-2020 <https://ecaonondaga.org/about-us>
- Transforming the Early Childhood Landscape in Onondaga County to Promote School Readiness, Child Care Solutions and Early Childhood Alliance, June 2019 <https://childcaresolutionscny.org/sites/default/files/Transforming%20the%20Early%20Childhood%20Landscape%20In%20Onon.%20Cty.pdf>
- Transforming the Early Childhood Landscape, Executive Summary, June 2019 <https://childcaresolutionscny.org/sites/default/files/Transforming%20the%20Early%20Childhood%20Landscape%20Executive%20Summary.pdf>
- Transforming the Early Childhood Landscape, Infographic, June 2019 <https://childcaresolutionscny.org/sites/default/files/Onondaga%20County%20Infographic.pdf>
- County Executive Ryan McMahon's 2020 County Budget, October 2019 <http://www.ongov.net/finance/documents/2020ExecutiveBudget-Book.pdf>
- From E-sports to Elder Care, Onondaga County Executive Ryan McMahon vows to 'step on the gas' in 2020, December 3, 2019 <https://www.syracuse.com/news/2019/12/from-esports-to-elder-care-on-onondaga-county-exec-ryan-mcmahon-vows-to-step-on-the-gas-in-2020.html>

- **Child Care – Family Child Care Pilot** – At least 10 home-based family child care providers serving infants and toddlers will participate in a similar pilot to strengthen the quality of home-based programs and improve child outcomes.
- **Child Care – Legally Exempt Providers** – A pilot targeted at improving the quality of care among legally exempt child care providers serving infants and toddlers will use the Talking is Teaching program which will include the distribution of tote bags of developmentally appropriate games and books, to build caregivers' skills.
- **Early Childhood Parent Leadership Strategy** – A new initiative will engage parents in identifying barriers to access services and support parents in having a voice in policy and system design to ensure that community early childhood services best meet family needs.

## Lessons Learned

- **Use an Equity Lens** – How well is your early childhood system meeting the needs of the entire population of young children and their families? Are there gaps? Where is the system contributing to or perpetuating inequities? Are certain racial and ethnic groups impacted disproportionately? Early childhood system leaders can't solve these problems on their own, but system leaders can follow the data, shed light on the disparities, and partner with elected officials, community leaders, and parents to implement potential solutions. In Onondaga County, most children were not reading at grade level by grade 3; even worse, the disparity was greater for African American and Latino children in the county.
- **Collect and Use Data** – Use data to inform policy. The local child care resource and referral agency and other community partners had been leading the way in gathering and sharing data on the quality of local child care settings for several years. That data collection effort led to the development of the landscape review and recommendations document. Advocates used these recommendations to advise the County Executive who in turn integrated them into his 2020 budget proposal.
- **Pick up the Phone.** Identify other communities that have been successful with the policy you're pursuing. Listen to and learn from other communities within your state and also beyond your state. Gather the lessons learned to inform your local strategies.
- **Align your Issues.** Onondaga's County Executive signaled early on that early childhood was a priority. He remarked, "We want to step on the gas" in response to his 2020 budget which unveiled several early childhood initiatives. Prior to this come he had identified poverty reduction and economic development as his primary goals in developing the budget. Advocates wisely linked their child care strategies to this.



## FINANCING OPTION: USING EXISTING FUNDS TO SUPPORT EARLY CHILDHOOD

Sometimes a combination of increased local revenues results in a larger budget from which new initiatives can be funded. The next section describes an early childhood initiative underway in the District of Columbia, where funding continues to grow to support a city-wide birth to three plan.

### Washington, D.C.


**The Birth to Three for All DC Act** – On June 26, 2018, the Council of the District of Columbia unanimously passed the Birth to Three for All DC Act. The passage of this legislation was a major milestone to give all young children in the District, particularly infants and toddlers, the healthy start they need to start life's journey prepared to succeed. The legislation charts the path for a comprehensive system of supports for children's healthy growth and development, including better access to health services; family supports such as home visits, developmental screening, and referrals for young children; expanding child care subsidy eligibility for infants and toddlers to all families by 2027; capping the percentage of annual income a family pays toward child care expenses to 10 percent of gross income by 2028; and phasing in competitive compensation for early educators.

The FY2019 City Council budget included \$1.3 million to launch the initiative, and the FY2020 City Council budget included about \$16 million for a next step down payment. The budget estimate from the D.C. Chief Financial Officer estimates that about \$227 million through FY2022 will be needed to fully implement the initiative.

#### Background

Efforts to collaborate on and advance birth-to-three legislation was facilitated by D.C.'s passage of universal pre-K legislation in 2008. The organization and advocacy processes were similar and involved several of the same agencies, organizations and people. D.C. councilmembers and staff even modeled the proposed funding structure for the Birth to Three for All DC Act on that of the 2008 Pre-K for All DC Act.





The impetus for D.C.'s public pre-k work was a 1989 report by the D.C.'s Committee on Public Education, which brought attention to declining achievement and other issues in District of Columbia Public Schools (DCPS) and recommended expanded access to and better quality of early childhood education programs. This report spurred the creation of D.C.'s Early Childhood Collaborative, which brought together cross-sector leaders, pooled public and private resources, and would later provide funds for D.C.'s Pre-K for All Campaign. A few years later, more than 200 early childhood and K-12 organizations collaborated to form the Universal School Readiness Stakeholder Group (USRSG), whose members created the Roadmap to Universal School Readiness, which has been described as the “seminal document in the movement to develop high-quality, universal pre-K programming.” These actions by researchers, advocates, and organizers set the stage for the passage of universal pre-K in the District.

As with the pre-K movement before it, much of the effort stemmed from the research about brain development during a child's earliest years and the widely-held belief that both genes and experiences impact the developing brain. The Bainum Family Foundation and Child Trends collaborated to release a report entitled “Infants and Toddlers in the District of Columbia: A Statistical Look at Needs and Disparities” in 2015. The DC Fiscal Policy Institute and DC Appleseed released “Solid Footing: Reinforcing the Early Care and Education Economy for Infants and Toddlers in DC” in 2016. In that same year, the Bainum Family Foundation launched DC's Birth to Three Policy Alliance, which involves 20 of D.C.'s leading children's policy advocacy and service nonprofits. The alliance works to increase access to high-quality, comprehensive early childhood services and ensures that systems work in a coordinated fashion to improve outcomes. The Alliance and many of the same stakeholder groups who were involved in organizing around universal pre-K engaged legislative early-childhood champions, educated policymakers who were unfamiliar with the issues, and organized parents to be advocates.

At every step, data collection played a key role. In 2018, the Bainum Family Foundation commissioned the Reinvestment Fund to publish “Early Learning Supply & Demand in the District of Columbia: Using Data to Identify Critical Gaps,” which contained detailed mapping to illustrate the data that helped to make the case with city councilmembers.

The Birth to Three for All DC Act passed the city council on June 26, 2018, by a unanimous vote. In the fiscal year 2019 budget approved by the city council, \$1.3 million was appropriated to provide initial funding for home visit programs, implement Healthy Steps (a program in which early-child specialists are embedded in pediatric practices to better support parents and their young children in their earliest years), commission a study related to developing an early-educator salary scale, and create on-site classes for early-educator credential attainment.

As the FY2020 budget was developed, advocates worked tirelessly to pursue discussions with Mayor Muriel Bowser as well as every councilmember. The Birth to Three for All DC Act is an ambitious plan; however, advocates used data, research, and key messaging to show that a child's success in pre-k, school, and life is based on their earliest experiences, which help shape brain architecture and healthy development.

The FY2020 budget approved by the City Council and supported by Mayor Bowser (\$16 million) included an overall budget increase from the original FY2020 budget proposal. Some of the increase was related to increases in the general sales tax and taxes on commercial real estate worth more than \$5 million. Other provisions that raised revenue increased the tax on a pack of cigarettes from \$2.94 to \$4.94 (to reduce smoking, particularly among youths), reduced the District's estate tax exemption, and eliminated an ineffective corporate tax credit identified in a report by the Chief Financial Officer. The increase in revenues, which resulted in a larger operating budget, enabled councilmembers and the mayor to invest \$16 million in the Birth to Three for All DC Act.

In November of 2019, former D.C. mayor and current Ward 7 Councilmember Vincent Gray wrote an op-ed in the Washington Post calling on his fellow city councilmembers to make fully funding the Birth to Three for All DC Act a top priority. The coalition of stakeholders who pushed for the passage of the legislation have begun working to seek a significant increase in funding within the FY2021 budget to make the vision of the legislation a reality for D.C. residents.





## How Does It Work?

- The FY2020 budget supports \$7.4 million for child care subsidies to improve the quality of early learning settings for infants and toddlers from low-income families,
- \$4 million to strengthen home-visit programs, particularly for families experiencing homelessness and for immigrant families,
- \$1.5 million for Healthy Futures, which enables behavioral health specialists to serve in early childhood centers,
- \$600,000 to expand Healthy Steps, which embeds early childhood specialists in pediatric practices to better support parents and young children,
- \$300,000 to support individuals pursuing careers as lactation consultants,
- \$80,000 for Help Me Grow to support parents and their children in accessing early childhood services, and
- \$2 million for a study to develop a competitive compensation scale for a strong early childhood workforce.

## Lessons Learned/Strategies

- **Build on Successful Models.** The Birth to Three for All DC Act was a natural successor to universal public pre-k. Children are making gains in pre-k, and elementary school test scores are rising. Research shows that the gains children make in pre-k are related to prior experiences, and so share your knowledge about the research to amplify the opportunity for children to make the greatest gains possible! Build on your base of supporters—a broad coalition including voices that will resonate with the mayor and the city council or other local policymakers.
- **Cultivate Relationships.** Work within your coalition to identify whose voice might best resonate with individual policymakers. Sometimes it's a group visit, sometimes it's a faith leader or business leader—sometimes it is not what is said, but who says it.
- **Data Matters.** Keep your data updated, analyze it, write about it in simple terms, and use mapping where possible so that policymakers can visually see the data come to life. Tables are nice, but pictures tell a compelling story!

- **Follow the Budget!** Understand the budget process, review any reports that are released annually, such as tax expenditure reports, or other reports that may contain potential funding sources. The first question will always be—what does it cost? Be prepared with a few ways to suggest resources that could be used for your priority. (e.g., if you know that there is a property tax re-evaluation and property values are expected to increase, it's not a “zero-sum” game anymore—fight for any potential allocation of increased revenues that may be available.
- **Return on Investment.** It is more costly to provide remedial services during the elementary school years than it is to invest early in a child's healthy development. Keep the conversation focused on the return on investment.
- **Be Prepared to Wage a Funding Campaign.** Authorizing language to implement a plan always comes before funding. Celebrate any authorizing success and gear up to wage a full campaign to secure funding.

## Key Action Resources

- The Birth to Three for All DC Act of 2018 <https://code.dccouncil.us/dc/council/laws/22-179.html>
- The Roadmap to Universal School Readiness <https://www.fcd-us.org/prek-for-all-dc-case-study/>
- Infants and Toddlers in the District of Columbia: A Statistical Look at Needs and Disparities, 2015 <https://www.childtrends.org/wp-content/uploads/2015/12/2015-28DC-Infants-Toddlers.pdf>
- Solid Footing: Reinforcing the Early Care and Education Economy for Infants and Toddlers in DC, 2016 [http://www.dcappleseed.com/wp-content/uploads/2016/03/Solid-Footing\\_Cost-of-ECE-Report\\_March-2016.pdf](http://www.dcappleseed.com/wp-content/uploads/2016/03/Solid-Footing_Cost-of-ECE-Report_March-2016.pdf)
- DC's Birth to Three Policy Alliance <http://bainumfdn.org/what-we-do/early-learning/building-collective-policy-agenda-birth-three-policy-alliance/>
- Early Learning Supply & Demand in the District of Columbia: Using Data to Identify Critical Gaps, 2018 [https://bainumfdn.org/wp-content/uploads/2018/10/Bainum\\_EL-Supply-Demand-Report\\_FNL\\_Nov-2018.pdf](https://bainumfdn.org/wp-content/uploads/2018/10/Bainum_EL-Supply-Demand-Report_FNL_Nov-2018.pdf)
- City Council vote on the Birth to Three for All DC Act, June 26, 2018 <http://lims.dccouncil.us/Legislation/B22-0203>
- FY2020 Budget as approved by the City Council and Mayor Bowser <https://www.dcfpi.org/all/what-you-need-to-know-about-the-fy-2020-dc-budget-after-first-vote/>
- Councilmember Vincent Gray Op-ed in the Washington Post, November 22, 2019 [https://www.washingtonpost.com/opinions/local-opinions/dc-reaped-benefits-of-expanded-preschool-now-we-must-focus-on-even-younger-children/2019/11/22/ad5acca8-0b13-11ea-bd9d-c628fd48b3a0\\_story.html](https://www.washingtonpost.com/opinions/local-opinions/dc-reaped-benefits-of-expanded-preschool-now-we-must-focus-on-even-younger-children/2019/11/22/ad5acca8-0b13-11ea-bd9d-c628fd48b3a0_story.html)



## CONCLUSION

No two communities are alike—each community has its own set of challenges. What is clear is that when policy and passion are combined in a manner that engages a broad-based group of community stakeholders, good early childhood policy is possible. Data and reports play a key role, as does messaging. At the end of the day, relationships matter. Particularly at the local level, take the time to meet with local policymakers to both educate them and brainstorm with them.

If you aren't familiar with the “ins” and “outs” of the local budget process, revenue forecasts, and expenditure reports, take the time to learn about them. Talk to local financing experts, understand all potential options and any rules that may apply to them (e.g., state limits on raising local sales taxes or restrictions that may apply to property tax rate changes). These rules vary from state to state and sometimes within communities. It's ok. You don't have to be an expert on every financing strategy, but consult with individuals who may provide some local financing “value-added” to increase the likelihood of your initiative's success. Anticipate the question—how much will this cost? Be prepared to offer a few suggestions about how such a local initiative can be financed. The two go together. Even when your initiative is not tied to a specific revenue source, at the end of the day, the size of the community budget is determined by local revenue raised. Good policy ideas are a “must have” but, unless those ideas can also be funded, they are not likely to be adopted or implemented.

The purpose of this collection of community stories is to illustrate the possibilities. And, if you try the first time and fall short, regroup, consider your lessons learned, and try again. The journey is yours. Write your story!





## ACKNOWLEDGEMENTS

The authors of this report include Ngozi Lawal and Erin Robinson of CSSP and Grace Reef of Early Learning Policy Group, LLC. We are grateful for the thoughtful feedback and edits from our colleague, Jessica Pika at CSSP. We thank the Pritzker Family Foundation for its generous support of this report and CSSP's prenatal-to-three work.

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Suggested citation: Lawal, N., Robinson, E. & Reef, G. (2020). "Financing Prenatal-to-Three Services: Local Approaches." Washington, DC: Center for the Study of Social Policy.