



Statement of Support for Increased and More Stable Funding for Quality Early Learning for New Orleans Children

The future of New Orleans depends on our city's investment in our children. High quality early care and education will prepare our students for a smart start in life, enable families to be productive in the workforce, and serve as an economic engine for local communities. Our state and city currently have no dedicated annual revenue that funds early care and education despite extensive research that shows **young children who participate in high-quality early learning programs are four times more likely to graduate from high school and become more productive citizens than their peers who do not participate in such programs.** This is because 80% of brain development happens between birth and age three, which provides the foundation for future learning, health, and emotional development. Children who begin kindergarten behind, generally remain behind.

High-quality early care and education prepares students for success, enables families to be productive in the workforce, and supports a thriving local economy. Yet, **less than 23% of at-risk New Orleans children birth through age three have access to a publicly-funded child care seat.** This is in spite of the fact that most New Orleans parents – 66% of married parents and 67% of single mothers – are working, and need access to affordable high-quality child care, which costs almost as much as tuition for a state college or university.

Our City's Current Investment

In 2018, the Mayor and City Council of New Orleans made an historic investment, allocating \$750,000 in the City budget to expand access to quality early care and education in New Orleans. This amount was doubled in the 2019 budget to \$1.5 million, creating new high-quality early care and education seats for 112 low-income children age three and under. This investment has laid important ground work as a pilot for additional local investment. The New Orleans Early Education Network has established a sound request for proposals process to identify high-quality providers to expand their available seats. An evaluation of the program is underway.

We, the undersigned, appreciate the commitment of this Mayor and City Council to ensuring our children have a smart start. **We are seeking stable and increased funding for quality early care and education.** We ask you to identify dedicated line-item funding for this commitment from an annual dedicated revenue source so as not to destabilize the children, families and early educators who do not know whether they can count on this funding from year to year.

Last year, the Early Childhood Education Working Group of the Orleans Parish School Board identified numerous prospective strategies to begin to close the estimated \$200 million annual gap required to ensure every child, from birth through age four, has access to a quality early care and education, regardless of his or her family's ability to afford it. Two of those strategies can be implemented immediately with action by the Mayor and City Council of New Orleans:

Reinstate the Amusement Tax

City Council has the authority to reinstate the City's Amusement Tax, which allows the City to collect a tax of 2% of the net proceeds from live entertainment events held in the city that do not

benefit a non-profit organization and dedicate these proceeds toward human services. This tax previously funded the City's Department of Human Services and could provide a sustainable revenue source for the City's investment in expanding access to quality early care and education in New Orleans. A September 2018 poll of 500 registered voters in Orleans Parish found that voters supported reestablishing this amusement tax for live entertainment events and using those funds to expand access to high quality early childhood education. According to the poll, 40% more voters supported this idea than opposed it.

Allow Voters to Decide on a New Public Health Millage

The City has the authority to introduce a new millage to support critical health and human services with a focus on children, youth and families. Given the significant needs facing families with young children and the long-term taxpayer cost savings of investing in early childhood education, it is only appropriate that the city's homeowners dedicate a portion of their property taxes to support early childhood education. Currently, none of the existing taxes are allocated for this purpose despite research (cited below) showing that quality early childhood education is one of the best investments the public can make. A September 2018 poll of 500 registered voters in Orleans Parish found that voters supported increasing property taxes by \$200 per year on a home valued at \$200,000 to fund early childhood education, mental health services, substance abuse treatment and violence reduction. According to the poll, 32% more voters support this proposal than oppose it.

Why Should we Prioritize Investing in Early Care and Education?

- **There is enormous demand for publicly-funded early care and education programs.** Less than 23% of at-risk New Orleans children, birth through age three, have access to early care and education. As of September 5th, 2018, there was a waiting list of 571 children for the 50 new early childhood seats funded by the City of New Orleans. According to EnrollNOLA, every program that serves children, birth through age three, in the city with public funding has a waiting list.
- **This is one of the highest returns on investment our city can achieve with its public funds.** Nobel Prize-winning economist James Heckmann of the University of Chicago has said investing in the care and education of young children is "the most efficient use" of public resources. His research has shown up to a 13% return on investment for high-quality programs for disadvantaged children, birth-to-age five.
- **Lack of reliable child care hurts our economy.** Lack of access to quality, reliable child care has a significant impact on parents' workforce participation and productivity. A recent study showed one in six Louisiana workers with young children had quit a job due to child care issues, one in 13 was fired, and over 40% had missed work in a 90-day period for the same reason. Childcare breakdowns for working parents cost Louisiana employers over \$800 million a year.
- **Child care centers are important small businesses that are critical to our local economy.** For every dollar invested in early care and education centers, \$1.78 is generated by the centers for the local economy in terms of purchased services and goods.
- **There is widespread voter support for investing tax dollars in this way.** A September 2018 poll of 500 registered Orleans Parish voters found that 81% of voters supported efforts to invest City funds to increase access to high-quality early care and education. Only 4% of voters opposed it.

- **Child development occurs over multiple years, which means that increasing access to quality early care and education for a single year for a student is not sufficient.** As a result of the City's investment over the past two years, 112 more children have access to a quality early care and education. This investment must be sustained to ensure these children continue to have the access they need to ensure future success. Without sustaining this investment, we can have a destabilizing effect on families.
- **The City has an opportunity to continue to establish itself as a leader.** The City's historic investment has garnered national recognition from the National League of Cities, the National Campaign for Grade-Level Reading, and others. Its work has been cited by the Louisiana Department of Education and informed its new LA B to 3 Plan to expand access to high-quality early care and education statewide. By identifying a sustainable revenue source for early care and education, the City of New Orleans will join a handful of progressive cities across the country and establish itself as one of the first cities in the Deep South to make such an investment.
- **This investment will help leverage other investments.** The City's 2018 investment was leveraged with additional funding of \$350,000 from the W.K. Kellogg Foundation for wraparound supports for families. It also formed the foundation for OPSB to launch an effort to investigate additional funding sources for early care and education and a similar bipartisan statewide Early Childhood Care and Education Commission, which called for \$860M in additional investment over the next ten years. Louisiana's Early Childhood Education Fund calls for a state match of 50 cents for every dollar invested by local government and numerous bills have been introduced in the 2019 Louisiana Legislative Session to make additional funding available as a match for local municipalities.
- **Early childhood is key to improving upon plateauing academic gains in elementary schools.** Without additional investment in school readiness, our city's elementary schools will continue to struggle to show improvement, which is why only 31% of third graders in New Orleans public schools are reading on grade-level.
- **We have established existing infrastructure** through the Mayor's Office of Youth and Families and the contract they oversee with the New Orleans Early Education Network (NOEEN). NOEEN already manages the coordination of public funding, enrollment and quality assessments across more than 150 early care and education programs in the city that are funded with federal, state, municipal and private dollars, including the City's existing \$1.5 million investment.

We, the undersigned, ask the Mayor and the New Orleans City Council to take actions over the next year to ensure at least \$5 million in dedicated funding annually in the City Budget for high-quality early care and education for children, birth through age three. When leveraged with additional state funding, this could ensure 500 more low-income children have reliable access to a quality early care and education. Specifically, we are calling on the Mayor and the New Orleans City Council to:

1. **Reinstate a 2% Amusement Tax on live entertainment** in the City of New Orleans, removing exemptions that previously gutted this tax, and dedicate all funds raised toward sustaining and growing the City's investment in the NOEEN City Seats program to provide high-quality early care and education for children, birth through age three.
2. **Propose a public health millage for voters to decide on** that funds critical programs and services for children, youth and families, and dedicates a significant percentage of these funds to increasing access to high-quality early care and education for children, birth through age three.