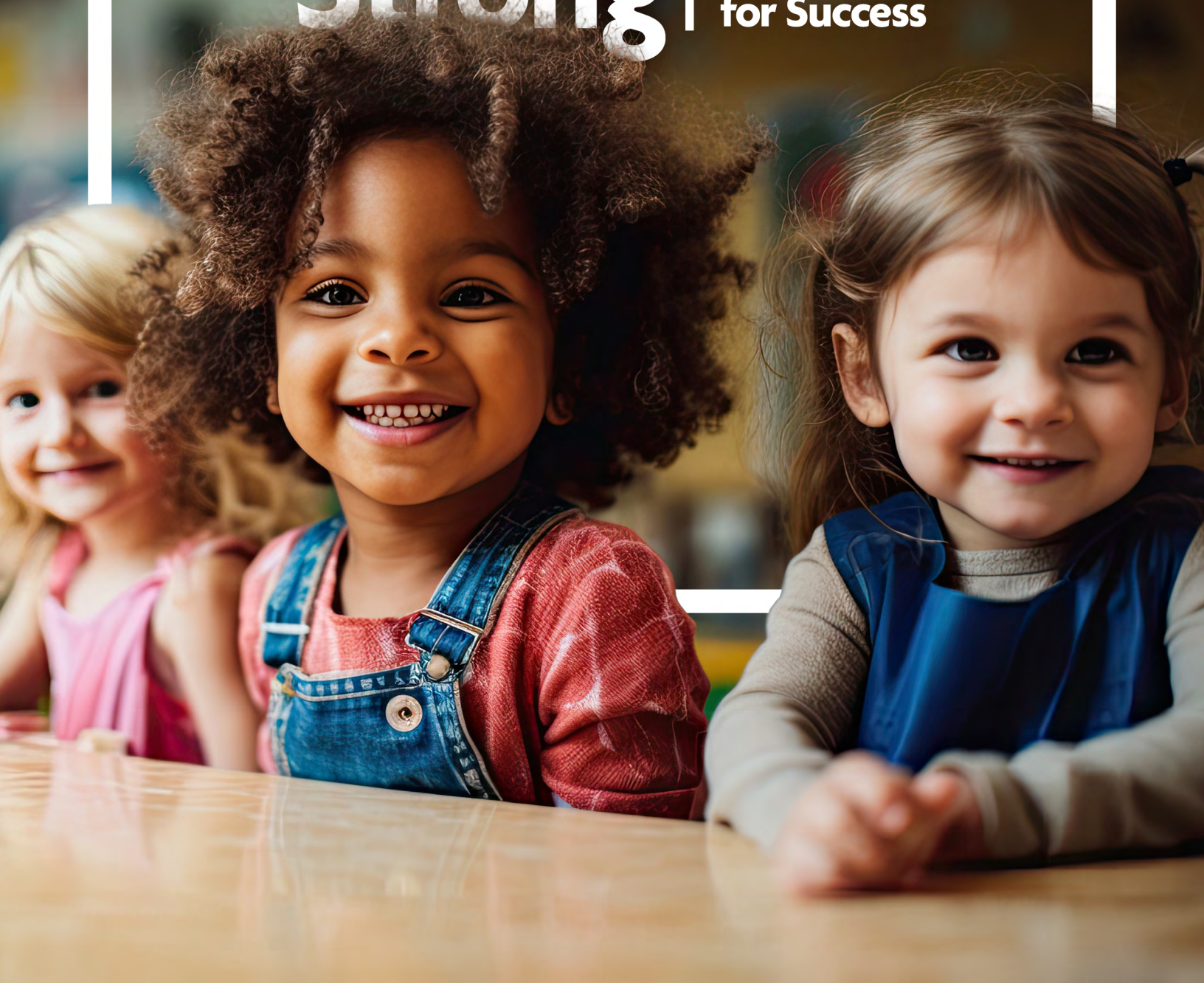




Louisiana Strong

Building the
Early Care and
Education System
for Success



SEPTEMBER 2024

A Shared Vision

for Louisiana's Working Families and Children

Nearly one-third of the workforce in Louisiana are parents who need quality, reliable care for their young children in order to succeed at work. More than a quarter of parents who are not currently working cite lack of available or affordable child care as the reason they are not working.¹ As a result, child care issues are forcing Louisiana to leave \$1.3 billion on the table in potential revenue for the state's economy each year.²

In addition to immediate workforce concerns, countless studies have shown that high-quality early care and education helps children, families, and communities thrive. It's no surprise, then, that Louisianans of all political affiliations share a vision of a thriving Early Childhood Education (ECE) system for Louisiana's children.³

A strong ECE system ensures that high-quality care is available and affordable for every family. In a successful ECE system:



Every child experiences a safe and nurturing environment that ensures their success in school, career, and community life.



Every family can find care they can afford and that fits their needs and values.



Every ECE professional is highly trained and skilled and is compensated accordingly.

Findings and recommendations are the Commission's alone and do not represent the Louisiana Department of Education's (LDOE's) position.

¹ Peralta, Abigail, et al., *Understanding Trends in Louisiana Labor Force Participation*, LSU Center for Economics, Business, and Policy Research, 2023. p 15. Accessed July 2024.

² <https://buildinitiative.org/wp-content/uploads/2021/06/342.pdf>.

³ https://policyinstitutela.org/wp-content/uploads/2023/05/North-Louisiana-Poll-0423_District-Two-Pager-4.pdf.

“Many studies, including one done in Louisiana, all show that access to high-quality child care yields significant cost savings to the state in the long run. Children who attend child care are less likely to need special education services, less likely to be involved in criminal activity, and are more likely to graduate high school and live healthier lives. These cost-saving outcomes alone are enough of a reason to sustainably invest in early education.”

- Louisiana State Rep. **Barbara Reich Freiberg**

When we create a **strong ECE system**, working parents at all income levels can enjoy the peace of mind that comes with **safe and stable care for their children**, which leads to a more **constant and productive workforce** for Louisiana's economy. There are education benefits, too: children who attend high-quality ECE programs are more likely to **meet or exceed standards** for third-grade literacy.

The Louisiana Department of Education's (LDOE's) Office of Early Childhood Care and Education worked with the Early Childhood Care and Education Commission's legislative chairs to provide experts, resources, and presentations for three Commission and three Task Force meetings. Every meeting was open to the public, and a recording was made available. The video link and meeting agenda were posted according to the State's open meeting law. Archived video links, agenda, and materials are publicly available on www.LouisianaBelieves.com. Findings and recommendations are the Commission's alone and do not represent the LDOE's position.

Practical Now and in the Future

When Louisiana invests in the ECE system, everyone benefits.

From early learning to economic prosperity, a strong ECE system improves quality of life for everyone – now and in the future.

- Employers can count on a stable and growing workforce now *and* a better prepared workforce in the future.
- Working parents can earn now *and* grow their careers for greater economic security.
- Young children can lay the foundation for success in kindergarten *and* in grade school, college, and career.
- Communities can strengthen their local tax bases now *and* avoid costly academic remediation, criminal justice, and health care expenses down the road. In Louisiana, the state invests around \$12,500 per year per child in the Child Care Assistance Program, compared to \$61,000 per year for an incarcerated juvenile or \$30,000 per year for an adult.



Employers & economic development

- A stable, reliable workforce
- \$1.2B return on investment
- Thriving economy



Families with young children

- Ability to learn and earn
- Economic security
- Peace of mind



Our communities

- More students ready to learn in kindergarten and succeed in K-12
- Reduced costs for academic remediation
- Thriving citizens
- Strong tax base



Young children

- Strong foundation for lifelong learning
- Better graduation rates and postsecondary success
- Better health outcomes as adults
- Less risk of involvement in the criminal justice system

Employee absences and turnover due to breakdowns in child care cost my business \$600,000 each year. Imagine the productivity and economic gain our communities could have if parents who want to work are reliably able to do so.

- Louisiana State Rep. Kim Carver, Senior Vice President, Gulf Coast Bank & Trust Company

Getting There:

Closing the Gap for a Strong ECE System

ECE is one of the smartest and most cost-effective ways to break cycles of poverty and provide new opportunities to Louisiana's future generations. Creating and maintaining a strong ECE system in Louisiana requires us to take a hard and honest look at the persistent gap between what high-quality ECE actually costs and how it is currently funded.

ECE in Louisiana costs families almost as much as public college tuition.⁴ In a 2023 survey, families in Louisiana reported paying on average \$364 per child per month for child care – for a family with two children in child care, that translates to \$8,739 per year.⁵

Many of Louisiana's ECE providers are small businesses or non-governmental organizations that must navigate the narrowest of margins. Most of an ECE provider's revenue comes from parents, who can rarely afford to pay what it truly costs to provide high-quality care. As a result, providers must look to other sources of revenue, such as federal, state, or local government funds, or gifts or grants from businesses or philanthropies. Many providers still end up absorbing the higher costs of caring for younger children, not to mention the cost of staff turnover and instability due to the limited wages they can afford to pay. [\(Learn more about Louisiana's ECE funding gap.\)](#)

“My heart is completely in this work – we are a five-star center. But the reality of the increases in cost to insurance, interest rates, and food, among other things, make it persistently difficult to provide the high-quality care that I expect of my center and that children deserve.”

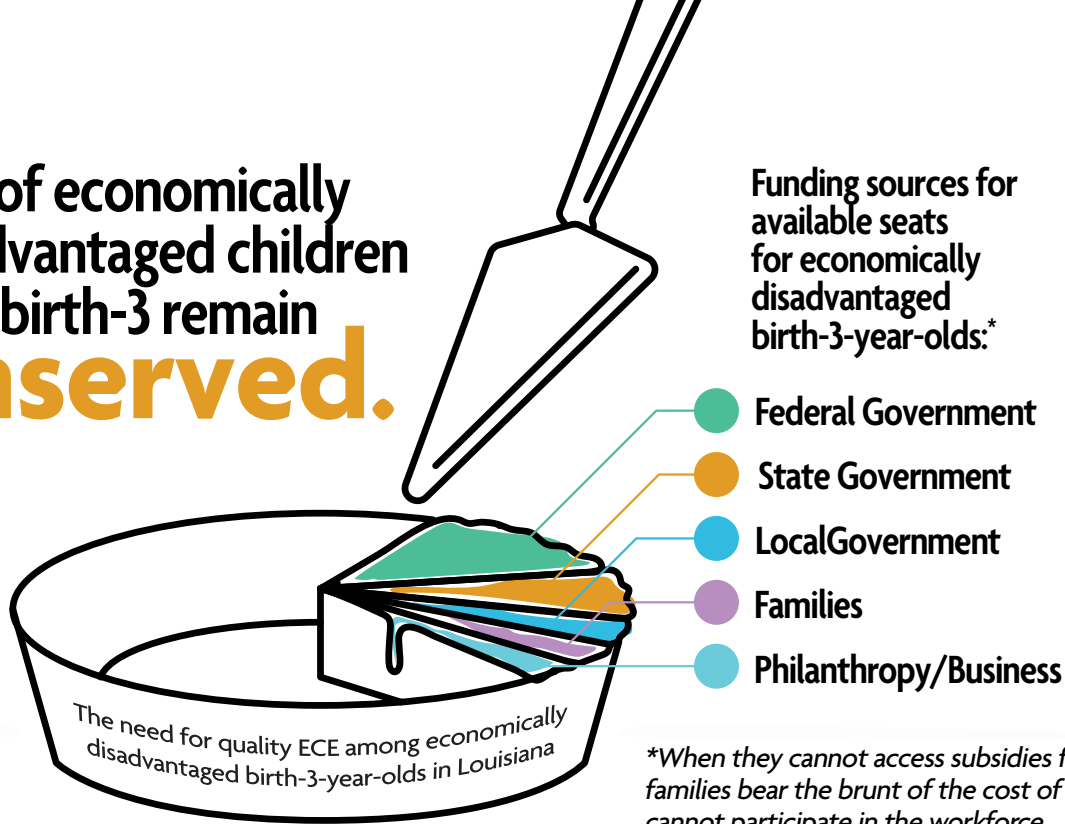
- Megan Garretson, Small Business Owner, Young Scholars Academy, East Baton Rouge Parish



⁴ <https://policyinstitutela.org/early-childhood/state-of-early-care-and-education>.

⁵ <https://policyinstitutela.org/research/just-out-of-reach-louisiana-working-families-continued-struggle-to-access-afford-child-care>.

82% of economically disadvantaged children ages birth-3 remain **unserved.**



Closing the Gap for a Strong ECE System (cont'd)

This gap in funding leads to a gap in child care availability for families who need it most. In fact, more than 126,000 economically disadvantaged birth-3-year-olds in Louisiana need ECE spots. That's 82% of Louisiana's economically disadvantaged children from birth to age three who are missing out on critical early childhood education and whose parents face challenges to workforce participation.

Fortunately, achieving our state's shared vision for a strong ECE system is completely within our reach. We can do so by investing wisely, at multiple levels, over multiple years.

“More and more of my employees are having a hard time finding child care that is affordable and works with their schedule. I worry about losing good employees because it is too difficult to find care for their children.”

- Chris Bardell, Owner/Operator, CLB Investments, LLC dba McDonald's Restaurants

Short-Term Recommendations: Protect Our Current Investment

Recommendation 1:

Restore state funding for Louisiana's Child Care Assistance Program (CCAP) to the FY24 level (\$87.7 million). This will result in another 720 young children accessing quality ECE, and protect access for the more than 13,000 young children currently in high-quality birth-3-year-old CCAP programs. As of August 2024, there were more than 2,400 children on the waiting list for birth-3-year-old care.⁶

Recommendation 2:

Appropriate at least \$30 million to the Early Childhood Education Fund (ECE Fund) to ensure revenue-generating local parishes receive their promised state match in 2025-2026. This will ensure the state does not default on its promise to parishes as well as incentivize local parishes to continue local investment.

Recommendation 3:

Serve as vocal champions to educate state, regional, and local economic development agencies and organizations about the benefits of ECE. A strong ECE system is much more than a child care issue. When more of Louisiana's economic development community and decision makers at the state and local levels understand the importance of ECE for Louisiana's economy, they can more actively engage in and contribute to our shared vision.

The Early Childhood Education (ECE) Fund

The Louisiana Early Childhood Education Fund (ECE Fund) offers a dollar-for-dollar state match for non-federal and non-state funds secured by local entities (usually parishes). This matching-fund strategy both endorses and incentivizes local efforts to prioritize ECE.

The ECE Fund is separate from state dollars that go to the Child Care Assistance Program (CCAP). During 2024-2025, projections estimate that local funding will generate the need to match more than \$30 million from 13 parishes. Without further investment, the ECE Fund is projected to be nearly depleted by the end of academic year 2024-2025 and be unable to match funds raised in local communities for 2025-2026.

⁶ Find parish-specific statistics at: https://www.louisianabelieves.com/docs/default-source/child-care-providers/2024-child-care-assistance-program-statistics.xlsx?sfvrsn=51706118_20.

Intermediate Recommendations: Stabilize Louisiana's Early Care and Education System

Recommendation 4:

Invest an additional \$98 million of state funds annually for the next 10 years to gradually grow and sustain total state investment each year.

This “laddering up” approach will provide high-quality ECE for an additional 7,800 children each year until all children in need are served.⁷

Recommendation 5:

Codify the state's annual ECE Fund match into law. When Louisiana guarantees that it will match the funds local parishes generate, it underscores the state's commitment to partnership and generates increased investment from local governments for a sustainable funding approach.

Recommendation 6:

Build local capacity to generate revenue for ECE. Local parishes vary in their capacity to generate revenue for ECE. By identifying approaches, partners, and resources for local parishes, the state can help increase their capacity to support and sustain Louisiana's shared vision for a strong ECE system.⁸

Workforce Compensation

ECE professionals are not babysitters but rather trained professional educators. They are also “the workforce behind the workforce.” When child care directors are able to pay wages that are comparable to other teachers with similar training and skills, the ECE workforce becomes more stable, meaning more parents are able to rely on consistent, high-quality child care so that they themselves can participate more fully and consistently in the workforce. Over the past year, a Workforce Stabilization Study Group convened by the LDOE has been exploring solutions to address compensation challenges to help increase and stabilize the number of ECE professionals in the state and, by extension, help strengthen and stabilize the state's workforce as a whole.

⁷ Applying national data that shows parents (in single-parent or two-parent households) of roughly two-thirds of children under age five are in the workforce and require child care, we estimate the number of young children in Louisiana who will need child care at any given time to be two-thirds of the total population of children aged 0-5 in the state of Louisiana.

⁸ <https://policyinstitute.org/wp-content/uploads/2022/11/Local-Taxation-in-Louisiana-Alternatives-for-Local-Public-Support-of-Child-Care.pdf>.

Long-Term Recommendations:

Fund Our Economic Future

“As elected leaders, I strongly believe it is incumbent upon us to leave our community better than we found it. We can't talk about the future of our parish and our state without considering the impact of early care and education on our workforce, local businesses, the economy and our community as a whole. A quality start has lifelong outcomes for our children – making them more likely to graduate high school and pursue a college degree and less likely to commit a violent crime before the age of 18. In other words, early childhood education has the power to improve our community, build a strong future workforce, and help working families today. Through early care and education, we can build something today that lasts for generations.”

Scott Walker, Jefferson Parish Councilman At-Large

Recommendation 7:

Design and adopt a funding formula that provides predictable, sufficient, and stable funding for a strong ECE system each year.

Specifically, the funding formula should:

- **Cover the true cost of quality care across all settings and ages.** Like Louisiana's K-12 funding formula, an ECE funding formula should provide a base amount per child. This amount should be weighted for children who need more resources, such as children with special needs. It should also reflect the higher costs of providing higher-quality ECE, such as smaller class sizes. Finally, it must be sufficient to pay early childhood educators a fair wage.
- **Build toward affordable access for every family over time.** Initially, the funding formula should cover ECE for any economically disadvantaged family who chooses it. Over time, support should be expanded to more working families, including those spending a high percentage of their income to afford child care.
- **Bring in many different sources of revenue to support ECE and recognize that not every local parish can contribute in the same way.** Just like in K-12 education, the state should provide the base of funding, with federal dollars filling in gaps. The ECE Fund should continue to incentivize local parishes to contribute. For parishes that cannot afford a significant contribution, the ECE Fund could provide a larger state match or accept in-kind contributions of time and effort instead.
- **Make funding stable and predictable for ECE providers.** Whenever possible, funding should go to providers in a way that allows them to plan for the long-term stability and quality of their programs and invest in their staff. For instance, providers can be offered contracts to serve a certain number of qualifying children for the year.

More detail on these recommendations will be provided in a forthcoming issue brief on funding design for Louisiana's early childhood system.



Louisiana Strong

Building the
Early Care and
Education System
for Success

Commission Members

Co-Chairs: Sen. Beth Mizell and Rep. Barbara Reich Freiberg

Conrad Appel
Karen Austin
Mellynn Baker
Sen. Regina Barrow
Mark Bond
Dr. Susannah Craig
Dr. Cynthia F. DiCarlo
Rachel Dugas
Rep. Kathy Edmonston
Tara Emery
Lindsey Fisher
Rep. Barbara Reich Freiberg

Jim Garvey
Melissa Goudeau
Dr. James Gray
Angela Greaud
Krystle Hilliard-Mitchell
Mary Beth Hughes
Dr. Mistie Perry Lasseigne
Ruth Lawson
Dr. Timothy Magner
Sen. Beth Mizell
Pheriche Perkins
LeeAnn Price

Caitlyn Robinson
Monique Rouege
Monique Scott-Spaulding
Dr. Libbie Sonnier
Melissa Stilley
Dr. Shanda Theriot
Nancy Tooraen
Lindsey Vicknair
Kahree Wahid
Shenoa Warren
Rochelle Wilcox

Task Force Members

Dr. Stephen Barnes
Rep. Barbara Reich Freiberg
Melissa Goudeau
Ruth Lawson
Sen. Beth Mizell
Jan Moller
Dr. Steven Procopio
Dr. Libbie Sonnier
Michael Tipton

