



Brains, Budgets, and Big Returns: Financing Early Childhood Education

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Louisiana Policy Institute for Children


The Louisiana Policy Institute for Children

- ❑ **Mission:** Advancing policies to ensure that Louisiana's young children are ready for success in school and in life.
- ❑ **Vision:** We envision a Louisiana in which all young children, birth through age four, are safe, healthy, and reach their full potential.
- ❑ **Our Work:** The Policy Institute seeks to be a source of nonpartisan, independent information on issues concerning children ages birth through four in Louisiana.





AT A GLANCE: EARLY CHILDHOOD EDUCATION IN LOUISIANA



173,000

Total in-need children
ages birth through 3

114,000

In-need children without
access to high-quality early
childhood education programs

\$762M

Annual loss by Louisiana
employers due to child care
issues

\$1.3B

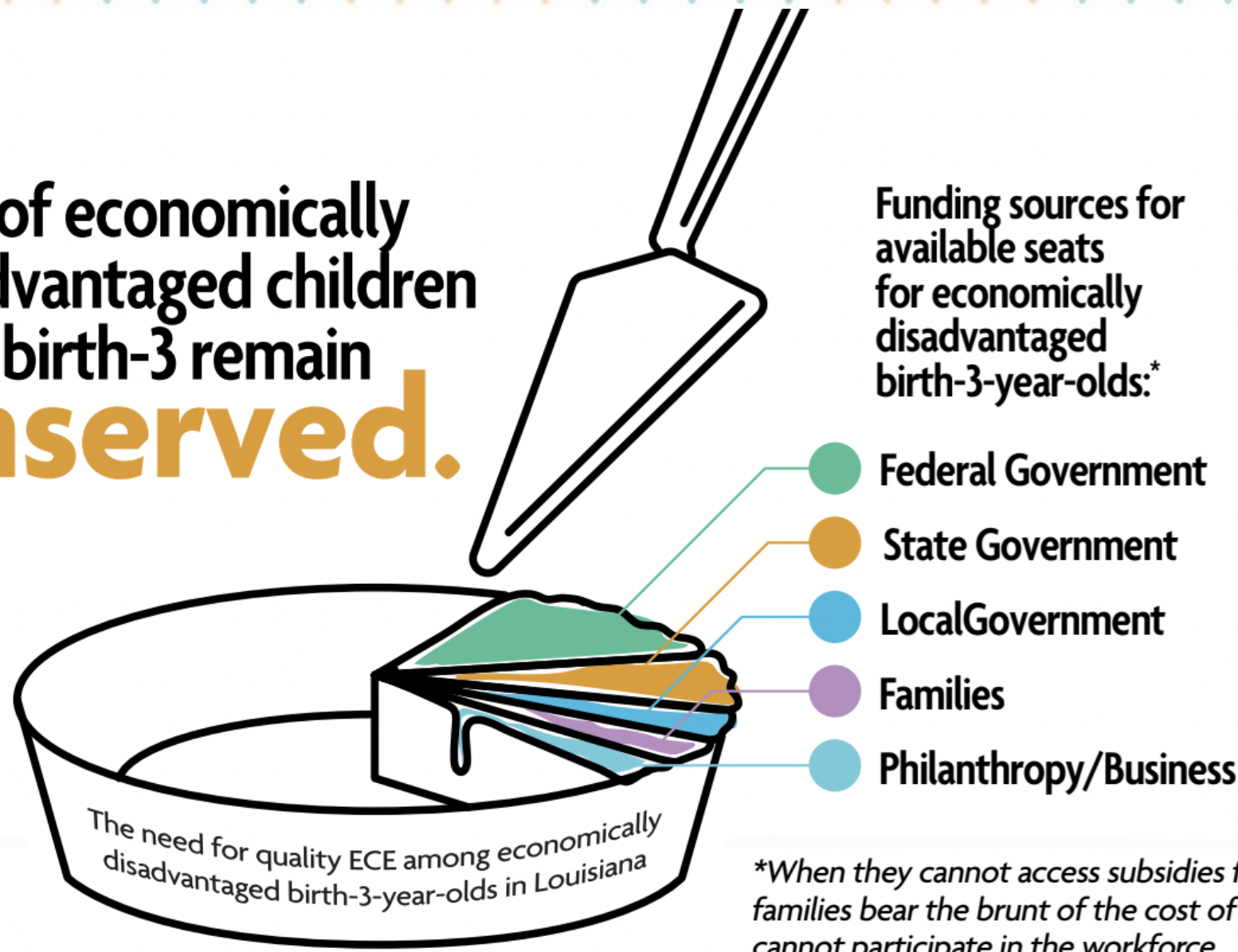
Annual loss by Louisiana
economy due to child care
issues



The Cost of Early Childhood Education

Even with all of the federal, state and local funding and programs in Louisiana, for infants and toddlers...

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

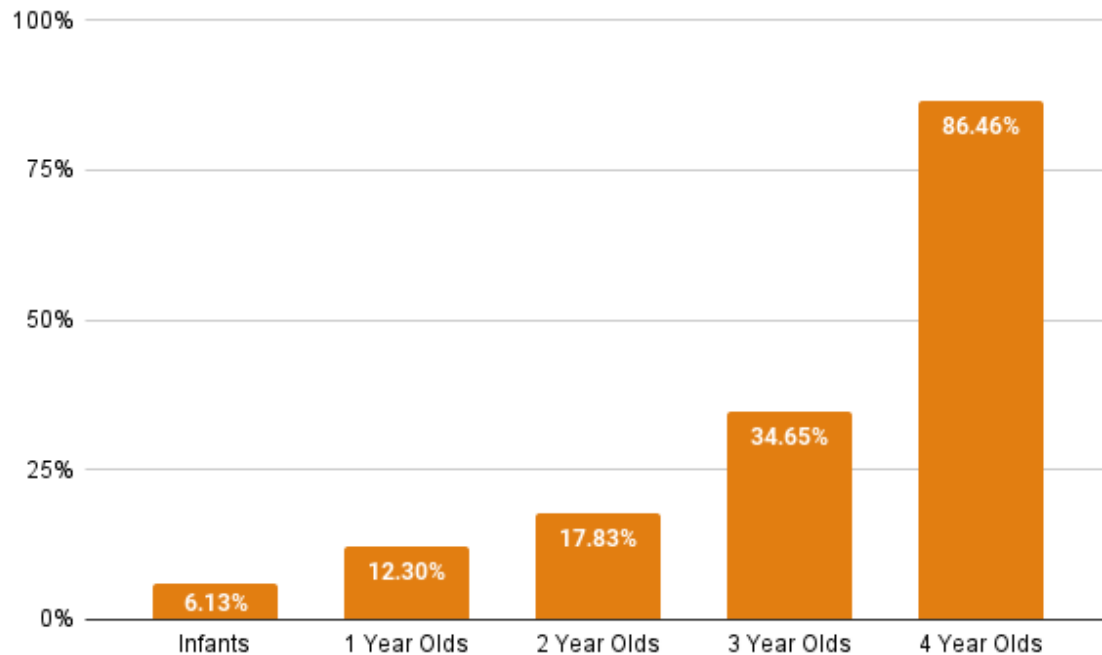


**When they cannot access subsidies for ECE, families bear the brunt of the cost of ECE or cannot participate in the workforce.*

Source: September 2024 LA B-3 ECCE Commission Report

Thousands of Children Are Waiting for Child Care

Louisiana only serves approximately 18% of in-need children ages 0-3, leaving **114,000** without care.



About 6,100 children are currently on the CCAP waitlist.



 = 10 children waiting for a seat

Source: Louisiana Department of Education

Working Parents Struggle to Afford Child Care

Family of 4 - 2 working parents, 1 infant and 1 preschooler

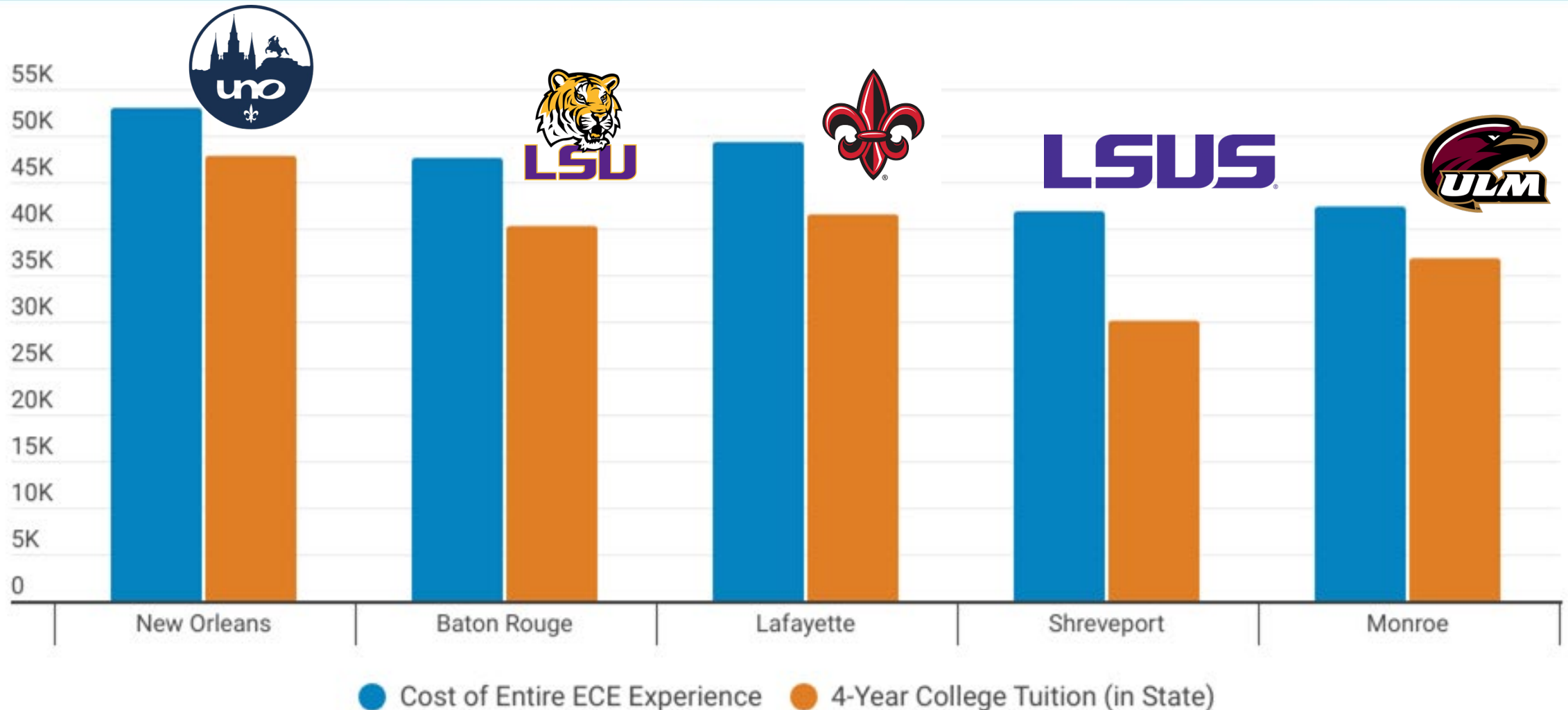
	65% State Median Income	85% State Median Income	90% State Median Income
Annual Income	\$56,508	\$73,896	\$78,242
Survival Budget	-\$54,096	-\$54,096	-\$54,096
Child Care Costs	\$0 (No CCAP Co-Pay)	-\$4,434 (CCAP Co-pay)	-\$27,649 (Out of Pocket)
Household Net	\$2,412	\$15,366	-\$3,503

\$54,096

How much income a family of 4 in Louisiana needs to afford basic expenses **BEFORE** child care costs or setting aside savings.



High-Quality Early Childhood Education Costs More Than College in Louisiana





State of the State: Early Childhood Education

Louisiana serves approximately 60,470 children through publicly funded programs, but approximately 131,600 in-need children remain unserved.

Public Programs & Funding Streams Available for Children Under Age 5

Federal Funding

Head Start
Early Head Start
Title I*
IDEA

Child Care Assistance Program (CCAP)
Cecil J. Picard LA 4 Early Childhood Program (LA4)*

State Funding

Nonpublic School Early Childhood Development Program (NSECD)*

8(g)*

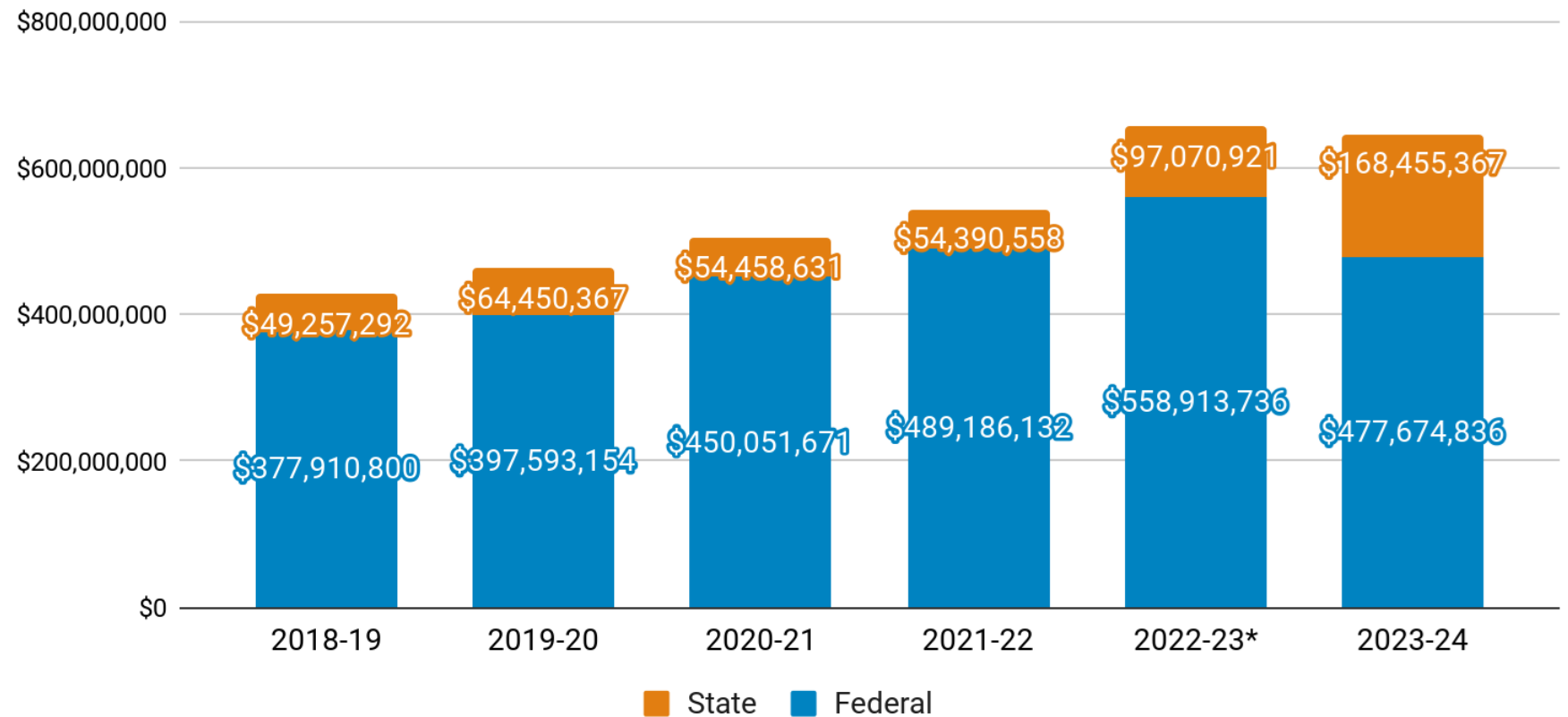
* program only serves 4-year-olds

Children Served by Program

Program	Total Number of Children Served FY 23-24	FY 24-25 State Funding	FY 24-25 Federal Funding
CCAP	16,402	\$78.5 M	\$150 M
Head Start	12,871	\$0	\$191.5 M
LA 4	16,386	\$75.6 M	\$19.9 M
NSECD	1,306	\$7.8 M	\$0
8(g)	1,592	\$7.1 M	\$0
Title I	4,065	\$0	\$36.3 M
TOTAL	52,622	\$169 M	\$397.7 M

Federal and State Funding for ECE

The majority of public funding for ECE comes from federal funding programs.



**Includes federal COVID relief dollars*


Note: Does not include IDEA funds


STATE INVESTMENTS IN EARLY CHILDHOOD EDUCATION SUPPORT LOUISIANA'S WORKFORCE OF TODAY AND TOMORROW





In Louisiana, over 130,000 children, from birth to age 4, need access to early childhood education programs. With two-thirds of children under age 5 having all available parents in the workforce, ensuring families have access to early learning programs is vital to the success of Louisiana's economy.



 32,445 in-need children, B-4,
who are currently served
(federal funding)

 28,024 additional in-need
children, B-4, who are currently
served (state & local funding)

 131,606 in-need children
unserved

 = 1,000 children



Why Early Childhood Education Matters

Early childhood education is the industry that fuels all other industries, prepares our children for success at school and in life, and allows our communities to flourish.

Two-Generation Investment



Early childhood education is a two-generation investment.

Early childhood education allows children to have a smart start, allows parents to work, and helps our economy grow.

Child Care Is a Long-Term Workforce Issue

CABL's longitudinal LA 4 study, comparing students who were in LA 4 and those who did not attend pre-K

	Outcome	Impact of LA 4	
Long-Term Education Impact	On-time Graduation	↑	4.3% higher
	Qualify for TOPS Tech	↑	9.3% higher
	Qualify for TOPS Opportunity	↑	10.7% higher
Academic Achievement	Algebra	↑	12.1% higher
	English 2	↑	7.8% higher
	English 3	—	No measurable impact
	Geometry	↑	8/4% higher
	Biology	↑	9.3% higher
Students with Special Needs	Special Education Placements	↓	45% lower

Child Care Is an Economic Development Issue

When Children Experience Quality Child Care...



They are more likely to graduate high school



They are more likely to have a full-time job as an adult



Their income as an adult is higher



They have better health outcomes



They are less likely to participate in criminal activity



They have better quality of life



They have lower rates of drug use

The benefit of this investment applies to two generations, the children and their parents, creating both short- and long-term economic benefits:



Their parents will have higher educational attainment

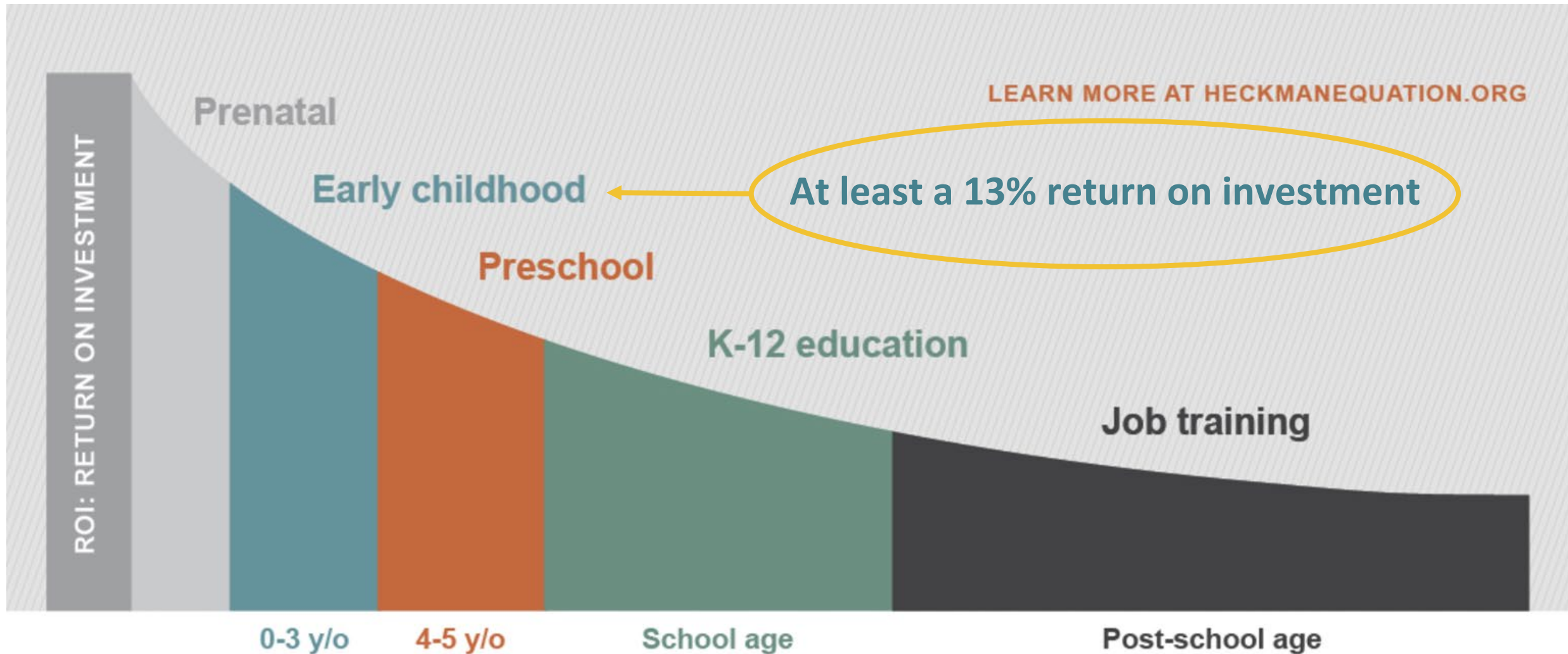


Their parents will have higher income



Their parents will have more economic mobility

Early Childhood Education Has a High Return on Investment



Child Care Is a Short-Term Workforce Issue



Two-thirds of Louisiana children under 5 years old have both their parents or their single parent in the workforce.



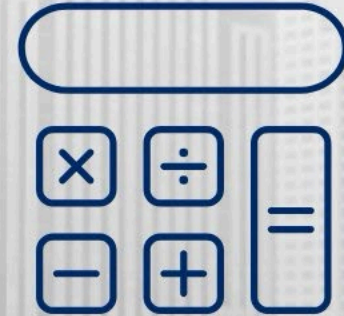
Three-fourths of working parents reported having to take at least one day off from work in the prior three months because of a child care disruption.

\$1.3 BILLION

Without reliable child care, parents miss work, leave or change jobs, come in late, or leave early. **These child care breakdowns cost our Louisiana economy \$1.3 billion annually.**



ECONOMIC IMPACT CALCULATOR



EVALUATE THE ANNUAL
FINANCIAL LOSS OF
LOUISIANA BUSINESSES DUE
TO CHILD CARE BREAKDOWNS

Louisiana Policy Institute for Children

Economic Impact Calculator for Businesses

Total employees*

3,000

1200

If unknown, assume 10% of total # of employees entered in previous field)

Employees with children under 6 *

Expected hours absent due to child care per employee

112

Expected working hours per employee

2087

Total employee wages & salaries (annual)*

Total employee wages & salaries per work hour

\$0.00

Total employee wages & salaries per work hour per employee

\$0.00

Lost wages due to parent employee absences

\$0.00

Indirect & direct losses to business (20.9%)

\$0.00

Employees who quit over child care (2.8%)

34

Salaries for employees who quit

\$0.00

Replacement cost for employees who quit (21.4%)

\$0.00

TOTAL ANNUAL FINANCIAL IMPACT

\$0.00



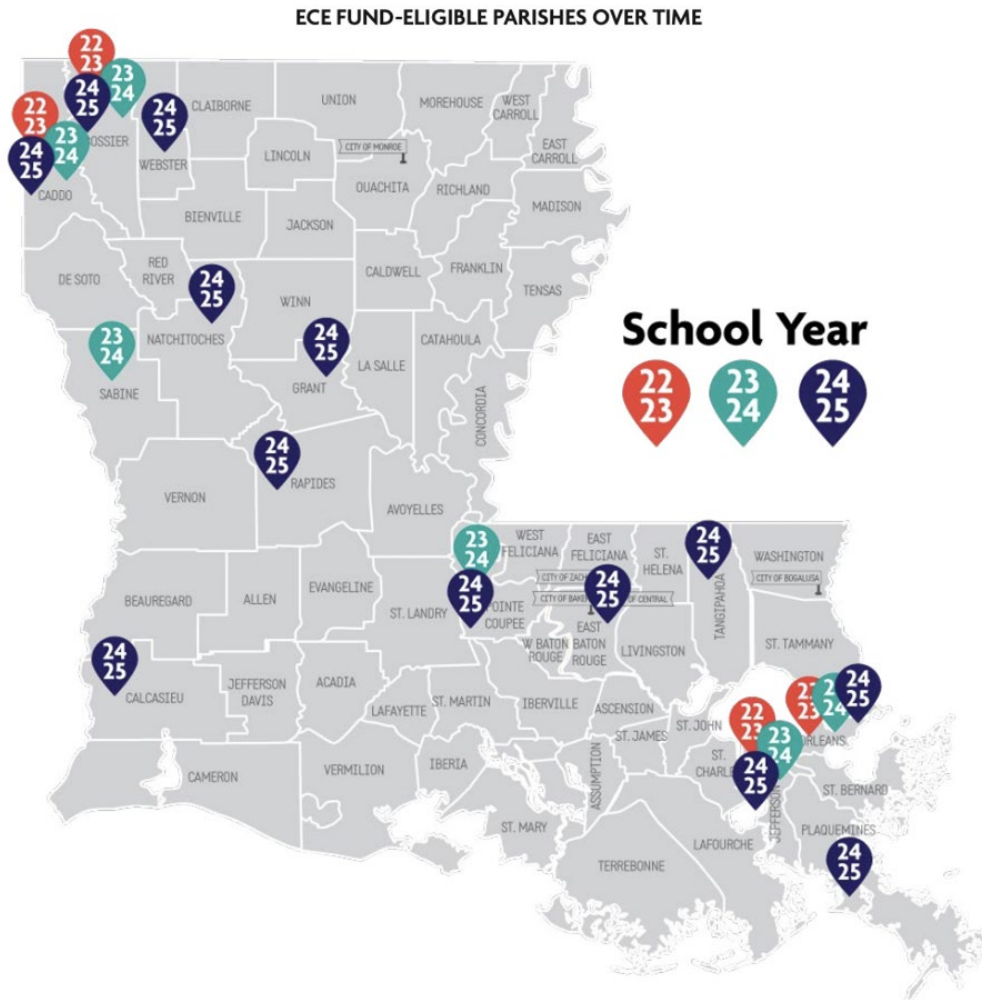
**Scan QR code for the
Economic Impact
Calculator for Businesses**



Local Investment in Early Childhood Education

Local government and philanthropy across the state have raised millions of dollars for expanding early childhood education access.

Early Childhood Education Fund



- Established in 2017, the ECE Fund is an incentive fund offering a dollar-for-dollar match to local entities for quality-rated child care access.
- The funding expands high-quality child care access for children **birth to age 3**.
- Communities raise funds and apply for the match through LDE.
- BESE approves the funding requests after receiving legislative spending authority to pull from the ECE Fund.

Early Childhood Education Fund

Revenue Source	FY 23-24 Revenue
Sports Betting <i>25% of sports betting tax revenues, up to \$20 million.</i>	\$13,785,514.51
Fantasy Sports Wagering <i>A portion of the revenue from an 8% tax.</i>	\$108,045.08
Hemp-Derived CBD Products <i>A portion of the revenue from a 3% tax.</i>	\$1,055,648.62
New Orleans Pelicans License Plate <i>50% of NBA Pelicans specialty license plate revenues.</i>	\$4,397.91
Land-Based Casinos <i>Up to \$3.6M per year if state tax revenue from casino exceeds \$65M.</i>	\$332,993.39
Interest Earnings	\$127,945.00
Total Revenues	\$15,414,544.50

Local communities have stepped up, but the dedicated funding streams do not produce enough revenue to sustain the state match.

FY 2024-25 ECE Fund Recipients

Recipient of State Match	Local fundraising amount/approved match
Ascension Parish	\$900,000
Assumption Parish	\$12,100
Caddo Parish	2,000,000
East Baton Rouge Parish	\$154,885
Grant Parish	\$132,000
Jefferson Parish	\$340,000
Natchitoches Parish	\$639,400
Rapides Parish	\$2,380,000

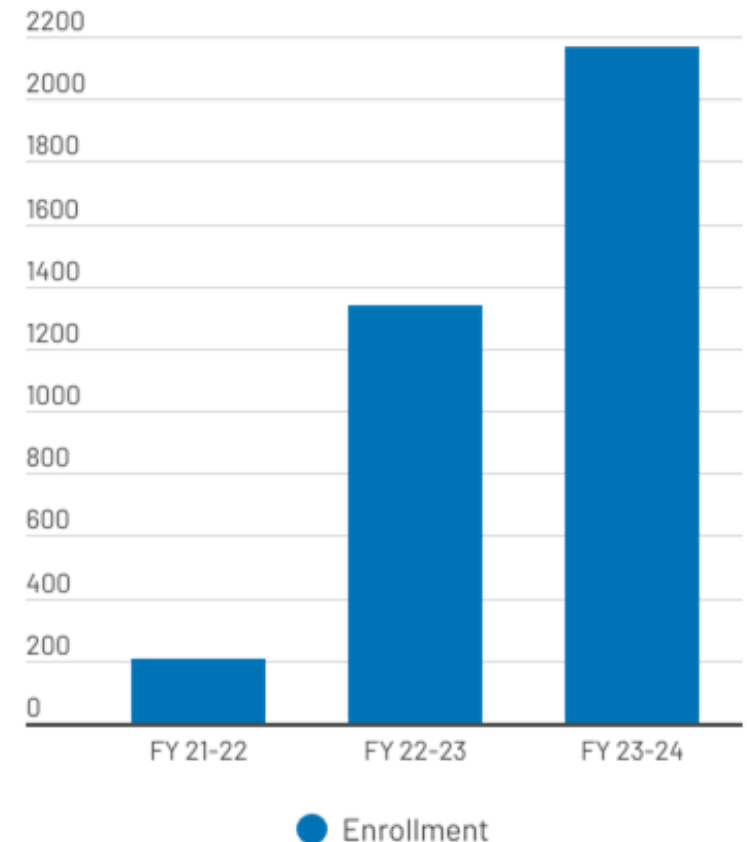
Recipient of State Match	Local fundraising amount/approved match
Tangipahoa Parish	\$1,020
Webster Parish	\$2,750
Pointe Coupee Early Childhood Coalition	\$4,964
Northwestern State University (Bossier Parish)	\$70,289
Agenda for Children (Orleans Parish)	\$23,674,959

Total Local Fundraising: \$30,312,367

Early Childhood Education Fund

- Over the last 3 years, there has been an exponential increase in the number of children served.
- If the Legislature is unable to grant spending authority of the full requested match amount, the children in this program will immediately lose their child care seat.

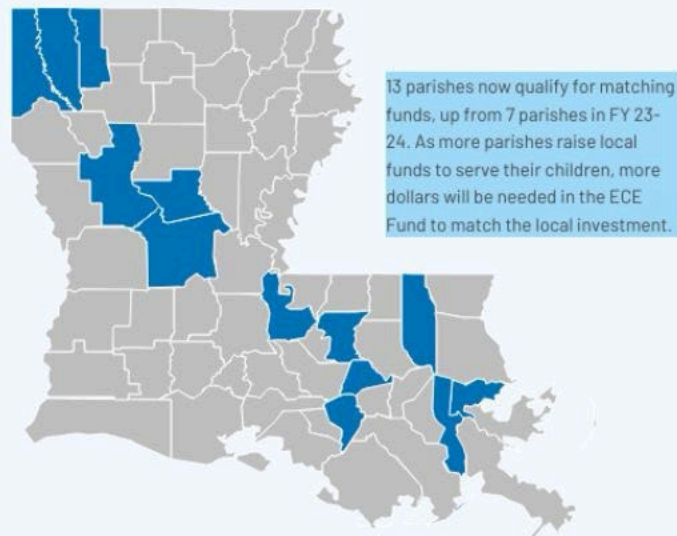
**Children Served by ECE Fund Dollars
& Local Match**



Early Childhood Education Fund Dashboard



Parishes Receiving ECE Fund Match in FY 24-25



Does your parish
qualify for the
state ECE Fund
match?

Annual ECE Fund Expenditures

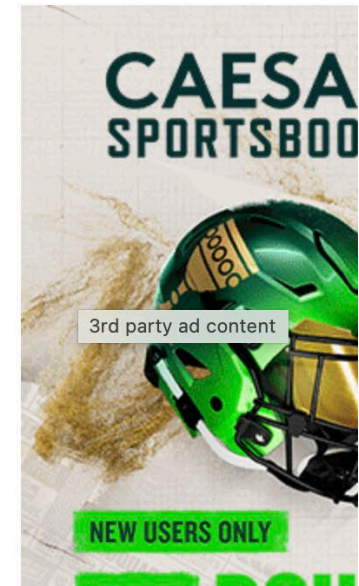
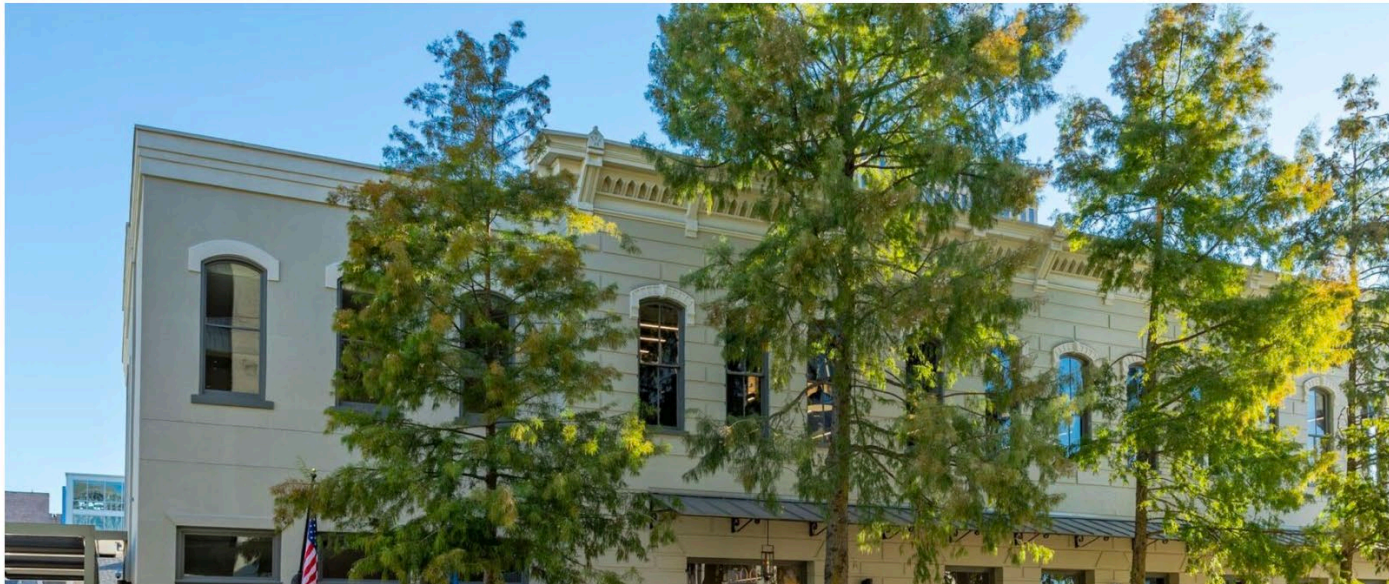


Louisiana's business lobby had a banner year in 2024. This year's legislative fights look tougher.

BY BLAKE PATERSON | Staff writer Apr 24, 2025

📖 4 min to read

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GRIGSBY: Invest In Our Children Today For A Better Tomorrow

May 22nd, 2025 **Guest Posts**

 Facebook

 Twitter

***Editor's Note:** a guest post by Lane Grigsby, a Baton Rouge industrial construction magnate and long-time conservative activist.*

Louisiana families know what's best for their children. That's why empowering parents to choose their own path is central to everything I've supported in K-12 education. Families deserve the freedom to choose the schools that best meet their children's needs.

Letters: If Louisiana wants to succeed, invest in early childhood education

LETTERS TO THE EDITOR Aug 25, 2025 1 min to read



Hot

September 11

Opinion: Want a Strong Economy? Invest in Strong Starts!

by Mandi Mitchell









LOUISIANA EARLY CHILDHOOD SYMPOSIUM

Researchers, policymakers, business leaders, ECE system leaders, and community leaders are invited to attend this virtual event, highlighting the economic impact of, developmental importance of, and urgent need for expanded access to early childhood education.



DATE

Friday,
October 3rd



TIME

9am - 2pm



LOCATION

Zoom Events



Scan the QR
Code to register





Thank you!

For more information, please email Isonnier@policyinstitutela.org or visit www.policyinstitutela.org.

