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The Goal of BrightStart

- To build an early childhood system that addresses the following priority areas:
 - a) Access to health care/medical homes
 - b) Mental health/social-emotional development
 - c) Early care and education/child care
 - d) Parenting education/Family support

A System

- Infrastructure
 - Professional development
 - Public engagement
 - Program licensing
 - Accountability
 - Funding and financing
- Services

BrightStart Implementation Plan

- Early care and education
 - Quality Rating System for Child Care
 - Pre-K
- Context in Louisiana
 - Pre-k is booming at the expense of child care

Supports for Centers to Implement Quality

- Training and Technical Assistance
- Environment Rating Scales
 - Trained observers
- Mental Health Consultation
 - Mental health professionals
- Financial Incentives

Financial Incentives and Support

- Build on existing supports
 - Tiered reimbursement rates
 - Scholarships
- Establish new incentives and supports
 - Quality Grants/Incentives
 - Wage supplements
 - Tax policy – School Readiness Tax Credits

School Readiness Tax Credits

Why Tax Credits?

- Tax policies can support the ends we want to achieve...
 - School Readiness
 - Quality Child Care
- Tax credits provide stability
 - Don't have to come back year after year to fight for appropriations
- Tax credits go directly to the consumer or provider
 - No middle person and less costly to the bureaucracy
- Links financial incentive to quality
 - Emphasizes quality to parents

Tax Credits, Tax Credits, Tax Credits

Economic Development

Existing State Tax Credits

- Historic Rehabilitation Credit
- Inventory Tax Credit
- Motion Picture Employment Credit
- New Jobs Credit
- New Market Credit
- Quality Jobs Program
- Research Credit
- Tax Equalization Contracts Credits
- Technology Commercialization Credit
- Telephone Company Ad Valorem Credit
- University and Biomedical R&D Parks Credits
- Employment of Drug Offenders Credit

Existing State Tax Credits

- Capital Companies Credit
- Capital Credit
- Credit for Basic Training Skills
- Credit for Donation of Historic Property to State
- Credit for Donations to Qualified Playgrounds
- Credit for Hiring Eligible Re-entrants
- Credit for Insurance Company Premium Tax
- Credit for Investment in a Louisiana Film
- Credit for Property Tax Paid on Certain Vessels
- Credit for Qualifying Recycling Equipment
- Credit for the Employment of Previously Unemployed
- Credit for Utility Refunds
- Dedicated Research Investment Fund Credit
- Economic Development Bond Cost Credit
- Electric and Natural Gas Cost Increase Credit

Economic Development



Summary of Direct Effects

- There are 12,701 businesses, employing 22,644 workers, serving 149,000 children and generating approximately \$657 million in gross receipts.

Impact Analysis – Child Care Sector Compared to Other Sectors

- In Louisiana, Child Care has an economic impact (1.72) similar to
 - Motion picture and video industries (1.73)
 - Ship building and repairing (1.64)
 - Hotels-Motels (1.63)
 - Power generation and supply (1.47)

School Readiness Tax Credits

- Credits to Parents/Consumers
- Credits to Providers
- Credits to Directors and Teachers
- Credits to Business for Supporting Child Care

Tax Credits to Providers

- Refundable credit
- Providers would receive a tax credit based on the number of children they serve in the Child Care Assistance Program

Tax Credits to Providers

Star Rating	New Tax Credit (per child in CCAP)
5 Star	\$1,500
4 Star	\$1,250
3 Star	\$1,000
2 Star	\$750
1 Star (or not participating)	No credit

Tax Credits to Directors and Teachers

- Refundable credits
- Based on the level of education of the director and “staff”

Tax Credits to Directors and Teachers

Child Care Director and Staff Qualification	New Tax Credit
Level 4	\$3,000
Level 3	\$2,500
Level 2	\$2,000
Level 1	\$1,500

Tax Credits to Employers/Businesses

- Increase capital into the child care sector by improving the connection between the business community and efforts to support early childhood development
- Refundable credits

Tax Credits to Employers/Businesses

- Businesses that help their employees pay for child care
 - Up to \$5,000 per child
- Businesses that construct, renovate or expand, purchase equipment or purchase slots
 - A percentage of up to \$50,000

Tax Credits to Employers/Businesses

- Businesses may claim a tax credit for up to \$5,000 in grants to child care resource and referral agencies.
 - This credit is dollar for dollar.

Officially Endorsed the Tax Credits





Conclusion

- Look for non-traditional opportunities to increase funding for early childhood efforts
- People respond to very concrete ideas
- Reform the system and people will invest in it