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## **UNDERSTANDING FINANCING STRATEGIES**

There are a number of innovative strategies that States and local communities have developed to achieve greater investment from both the public and private sectors. These strategies may make better use of existing resources and/or develop new sources of funding. The strategies fall into the following categories:

### **1. Make Better Use of Existing Resources**

- a. Operate more efficiently by cutting unneeded costs
- b. Improve management systems
- c. Use data to guide decisions
- d. Streamline processes to ensure more efficiency
- e. Seek administrative solutions that are cost saving

### **2. Maximize Public/Federal Revenues**

- a. Ensure maximum draw-down by leveraging match and full program utilization.
- b. Refinance a program by substituting Federal dollars for funds that come from other sources.
- c. Maximize administrative cost-claiming to free up State funds for services.
- d. Seek new Federal funding opportunities.
- e. Develop new partners to maximize Federal funding opportunities.

### **3. Generate/Create New Revenue**

- a. Local property taxes
- b. Sales and excise taxes
- c. State income taxes
- d. Tax credits, deductions, and exemptions
- e. Dedicated fees
- f. Lotteries and gaming

### **4. Allocate Public Revenues in New Ways**

- a. Quality incentive bonuses
- b. Health insurance for child care providers
- c. After-school and safe neighborhoods partnerships program
- d. Campus-based child care
- e. Crime prevention and juvenile justice initiatives
- f. Local government initiatives

### **5. Expand Private Sector Finance**

- a. Employers
- b. Unions
- c. Philanthropy

**6. Enlist Public-Private Partnerships for Financing**

- a. Employer and public sector partnerships
- b. Community and public sector partnerships
- c. Philanthropy, corporate, State, and local government partnerships
- d. Capital investment partnerships

**7. Build Partnerships**

- a. Join forces with others with same or common interest
- b. Build public will to support effort
- c. Provide leadership to support partnership effort
- d. Build linkages for common grant-writing efforts
- e. Create a common budget that shows maximizing resources

**8. Create Flexibility in Existing Funding**

- a. Modify rules and regulations to create flexibility
- b. Identify new funding ideas using existing funding
- c. Find solutions to barriers that limit flexible funding
- d. Pool resources from several agencies
- e. Align program requirements