

Agenda of the Kauffman-PAES Conference on Early Childhood Finance

October 25-26, 2010

Park Hyatt Chicago, 800 North Michigan Avenue, Chicago, IL 60611

Monday Evening, October 25

6:00 Reception and Welcoming Remarks, Robert Litan, Kauffman Foundation

7:00 Dinner and Discussion of Issues

Speaker Introduction, Rob Dugger, Hanover Investment Group and Partnership for America's Economic Success

Speaker: Tim Bartik, Upjohn Institute, "Early Childhood Programs and Economic Development: The Core Challenges"

Tuesday, October 26

7:30 Breakfast

8:00 Review of obstacles, constraints, and market failures

- Problem – pay now, benefit later
- Problem – costs concentrated, benefits diffuse
- Time profile of quantified costs relative to quantified benefits
 - Higher near and medium-term capitalization and interest costs
 - Lower medium and longer term special education, criminal justice, welfare and Medicaid costs, and higher tax revenues due to higher earnings
- Decisions are heavily local – How can national or global financing be made compatible with local and state control?
- Time horizons are short – How can political election cycle distortions be overcome?
- Fiscal pressures are great – Where will the resources come from? How can resistance to shifting funds from ineffective uses be accomplished?
- Business support is needed – How can business leaders be made part of the funding framework?
- Parent and voter support is needed – How can constituents be sure that money from financings will be well spent?
- Local, state and federal legislatures won't cooperate – How can benefits be tailored to government finance and political constraints?
- Few markets exist to convert future benefits into cash now to pay for early childhood programs – How can they be created?

9:00-9:45 First group discussion: "What problems have to be solved?"

9:45-10:00 First report from each group: "What are the five most important obstacles to be overcome?"

10:30 Break

10:45 Presentation and discussion of five general financing approaches

1. Public Financing: Sustainable and Scalable Financing Model, Lindsay Dolce (Early Learning Ventures) and Janise Dubno (Voices for Utah Children)
2. TIF public finance approaches: Michigan Promise Zones, Tim Bartik (Upjohn Institute)
3. Public-Private Financing: Minnesota Early Learning Foundation, Art Rolnick, by video-conferencing (University of Minnesota)
4. Private Financing: Kalamazoo Promise, Tim Bartik (Upjohn Institute)
5. Market-based Income Contingent Financing, Felipe Vergara (Founder & CEO, Lumni Inc.)

12:00 Lunch and open discussion

1:00-1:45 Second group discussion: "How do available models solve the problems we identified?"

1:45-2:00 Second report from each group: "How do the models overcome obstacles?"

2:00 Break

2:15-3:15 Final group discussion: "What characteristics should finance models have?"

3:15-3:30 Final report from each group: "What five characteristics are most crucial to success?"

3:30 Discussion of next steps

4:00 Adjournment