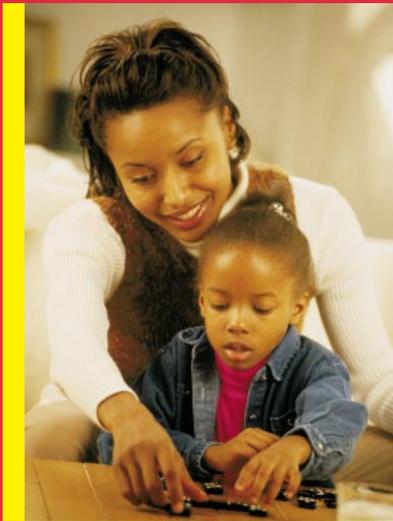




## STATE INITIATIVES TO PROMOTE EARLY LEARNING: NEXT STEPS IN COORDINATING SUBSIDIZED CHILD CARE, HEAD START, AND STATE PREKINDERGARTEN



Center for Law and Social Policy

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*For the full report: State Initiatives to Promote Early Learning: Next Steps in Coordinating Subsidized Child Care, Head Start, and State Prekindergarten, or individual descriptions of the studied initiatives in Georgia, Massachusetts, or Ohio, please see our website at [www.clasp.org](http://www.clasp.org), or call (202) 328-5140.*

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## Introduction

**H**istorically, the United States has been known both for its limited support of publicly funded child care and early education services and lack of coordination among existing services. Recently, there have been substantial expansions in funding for subsidized child care, the Head Start program, and in some states, for prekindergarten initiatives. The expanded funding has been driven by concerns about two broadly shared social goals: the need to address school readiness for all children and the need to provide work supports for families in light of increasing labor force participation by mothers of young children. While current funding still reaches only a fraction of preschool children, some states now have considerable experience in coordinating subsidized child care, Head Start, and state prekindergarten initiatives to enhance early education and learning opportunities for young children. Drawing on the experiences of three states, this paper describes the challenges states face in addressing these important social goals, responses to those challenges, and recommendations for the future.

## Background: Three State Initiatives

We focused on three states with significant experience in developing a major early education initiative: Georgia, Massachusetts, and Ohio. We examined the states' efforts through the lens of the following state initiatives:

- In Georgia, state lottery money has been used to fund a voluntary, free prekindergarten program available to all families – drawing on and working with child care centers, Head Start, and the public schools. Most Georgia four-year-old children participate in Georgia Pre-K. Participating programs must choose one of several approved curricula, and operate classrooms for at least 6.5 hours a day, 180 days a year.
- In Massachusetts, the state's Community Partnerships for Children initiative has provided funding to localities to coordinate planning and expand the supply and quality of early education settings for three- and four-year-old children of working parents. Localities must form councils including representation from child care, Head Start and public school districts, and develop plans to meet local needs. Parents pay fees according to the sliding fee scale for the state's subsidized child care program.
- In Ohio, the state has committed state resources to reach more Head Start-eligible children through state-funded Head Start slots and partnerships between Head Start grantees and child care centers and family child care providers. The state has encouraged use of blended funding from federal and state Head Start funds and the child care subsidy funding stream to provide full-day, full-year services following Head Start Performance Standards to eligible children.

Though each state has taken a very different approach, there are common themes that emerge from their experiences.

## State Initiatives to Promote Early Learning: Challenges & Responses

In planning early education initiatives, states and localities do not begin with a blank slate. Many children are already participating in early care and education arrangements paid for by parents and multiple federal and state funding streams. Much of the current challenge for states and localities involves questions about how to coordinate, modify, and build on the strengths of these existing systems in an effort to create a more comprehensive structure of early care and education. We found five overarching challenges and saw state responses to each:

1. Developing a comprehensive vision that encompasses both the need for early education for children and for work supports for families;
2. Expanding fiscal resources;
3. Addressing regulatory differences among programs and funding streams;
4. Implementing early education initiatives across different structures and constituencies; and
5. Tracking progress and measuring results.

Below is a brief description of each challenge and some examples of state responses.

### 1) Developing Comprehensive Vision:

Underlying many of the other issues states and localities face is the need for policymakers to develop a comprehensive vision encompassing the goals of school readiness for children and support of working parents. The need for such a vision is particularly important because historically, the goals of school readiness and work support have often been articulated separately, resulting in programs or funding streams with a principal emphasis on one or the other.

#### *State Responses:*

- **Engaging in an evolutionary process of re-envisioning how services fit together** - Each state has made efforts to strengthen the work support components of school readiness-focused programs while also strengthening the capacity of existing work support-focused child care programs to promote school readiness. Yet, no state has achieved consensus on how best to coordinate these components into a cohesive structure.
- **Executives and legislators playing leadership roles in prioritizing early care and education initiatives** - In each state, state leaders often played a central role in either articulating priorities or bringing key players to the table.
- **Broadening and maintaining support for an early education vision through continual efforts and vigilance** - In each state, early education leaders not only work to develop a comprehensive vision for a state's early care and education system, they also engage in efforts to communicate this vision in manner that keeps key players and the public engaged.

## 2) Expanding Fiscal Resources:

The current level of federal and state funding is not adequate to make services affordable to the number of children who would potentially benefit from participating in early care and education services, nor could it provide the quality of services necessary to meet school readiness goals. Figure One provides information on the current major sources of funding targeted to early care and education.

**Figure One. Major Sources of Funding for Early Care and Education<sup>1</sup>**

Funding Source	Appropriation/Amount	Children Served	Percent of Eligible
<b>Head Start</b>	\$5.3 billion in FY00 <sup>2</sup> (federal)	812,564 (annual)	3 out of 5 poor 3 & 4 year old children <sup>3</sup>
<b>Child Care &amp; Development Fund (CCDF)</b>	\$3.2 billion in FY99 <sup>4</sup> (federal) \$1.6 billion in FY99 (state)	1.8 million (average monthly)	12% of maximum federally eligible children (not limited to 3 & 4 year old children) <sup>5</sup>
<b>Temporary Assistance for Needy Families (TANF)</b>	\$3.5 billion redirected to child care in FY00 <sup>6</sup> (federal)	Data not available	N/A
<b>State Prekindergarten Initiatives (non-federal dollars)</b>	\$1.7 billion in 1998-1999 school year <sup>7</sup> (state)	724,610 (annual)	10% of 3 & 4 year old children
<b>Title I of the Elementary &amp; Secondary Education Act (ESEA)</b>	\$407 million in 1999 - 2000 school year <sup>8</sup> (federal)	313,00 (annual)	8% of all children that would enter Kindergarten
<b>Dependent Care Tax Credit (DCTC) &amp; Dependent Care Assistance Program (DCAP)</b>	\$2.2 billion (DCTC) & .4 billion (DCAP) in estimated foregone federal tax revenue <sup>9</sup>	Total unknown - 5.5 million taxpayers claimed the DCTC in 1999	N/A

### *State Responses:*

- **Committing additional federal and state dollars** - Each state has phased-in significant state funding commitments to these initiatives, and have increased use of federal dollars. Yet, none have reached the point of being able to provide all young children access to full-day, full-year early education programs.

- **Re-directing Temporary Assistance for Needy Families (TANF) block grant funds to child care and early education purposes** - Each state is using TANF for early care and education services. The federal dollars that these states have accessed, mostly from TANF, have played a key role in the state's expansion of child care and early education services. Yet, state policymakers feel some level of uncertainty about the continued availability of these funds, making long term planning difficult for states.

### 3) Addressing Regulatory Differences Among Programs and Funding Streams:

Among the major sources of federal dollars for early care and education (the Head Start program, CCDF, and TANF) there are different rules regarding which children are eligible for services, how funds are distributed, and what standards govern provision of early learning services.

#### *State Responses:*

- **Allocating and managing funds creatively across programs** - In each state, there are significant examples of work with early care and education providers to maximize use of federal and state resources through local partnerships, blended funding, and cost allocation methods. Each of the study states has examples of partnerships between providers whose services are primarily funded through different federal funding streams or single providers that are blending multiple funding streams in order to provide full-day, full-year early education services.
- **Using the flexibility of CCDF rules to increase ease of blending subsidy dollars with Head Start and state prekindergarten program rules** - Each state is examining ways in which rules may be made more flexible. For example, Ohio lengthened the period of certification for child care subsidy from six to twelve months, in part to make cross-program partnerships easier. The federal Child Care Bureau has clarified that states have flexibility to change recertification periods for services provided with CCDF funds in order to coincide with those of a collaborating program (such as when Head Start and CCDF funds are used to provide full-day, full-year Head Start services).
- **Using prospective grant funding to encourage the development of stable, quality programs** - In each of the studied initiatives, funds are distributed prospectively. Each state uses a grant-making process to require programs to meet key standards and builds in the costs of providing those enhanced quality services in its state initiative funding awards. In addition, Massachusetts is using contracts for some CCDF-funded programs. Current federal CCDF law requires that states ensure parental choice in choosing child care arrangements when CCDF funds are used, but states may still include contracted services in their CCDF programs so long as parental choice is respected. States are free to use other dollars as a lever to encourage the development of needed quality services.
- **Paying rates more reflective of the cost of quality care to providers participating in the early education initiative** - Georgia and Massachusetts have developed provider payment schedules for their early education initiative at higher rates than those set by the state CCDF lead agency for most participating subsidy system providers. Georgia did this by setting a statewide cost per child according to education levels of the lead teacher in the classroom. Massachusetts allowed localities to determine provider rates based on market and cost of services.

- **Requiring a set of quality program standards of all participating programs as a condition of initiative funding** - Each state has either adopted established federal Head Start standards (Ohio) or created an enhanced, separate set of early education standards that providers accepting initiative funding must meet (Georgia and Massachusetts).
- **Encouraging advanced staffing qualifications across all participating programs** - Each state has developed some consistent standards to be applied to the variety of providers receiving state funding. Examples of requirements include: meeting specific levels of higher education for lead teachers; achievement of accreditation with the National Association of Family Child Care or a Child Development Associate (CDA) for family child care providers; requiring child care programs to meet Head Start staff qualification requirements in Head Start/Child Care Partnerships.

#### 4) Implementing Early Education Initiatives across Different Structures and Constituencies:

The implementation of any cross-cutting early education initiative must address diverse expectations and outcomes among various groups. These groups include parents, policymakers, program administrators, and others. At the same time, the structures that house the various early education programs are in separate and non-parallel government entities. There is also a need to increase these different groups' and entities' understanding of other program and service delivery types.

##### *State Responses:*

- **Improving communication with parents and the public regarding early childhood education and new initiatives** - Communication strategies are dependent on the state's key mission in providing an initiative, what policymakers feel the public wants, technical capacity, and what the initiative actually offers. Georgia requires all participating programs to use the same terminology about the program, and has effectively "branded" the initiative, no matter where the classroom is housed (child care, Head Start, or public school).
- **Increasing the number and diversity of the state's constituency for early education issues** - For example, in Massachusetts every local region with an approved project has a decision-making council that includes membership of child care, Head Start, public school constituencies, and parents, and may include representatives of other key local stakeholder groups as well. The state estimates that over 3,000 individuals are involved in planning how best to meet the needs of children as a result of participating in the councils, which cover almost every town in the state.
- **Trying new formal and informal interagency structures to increase coordinated planning** - These methods, ranging from cabinet level and to less formal interagency working groups and temporary joint projects on discrete issues, have had varying degrees of success, sometimes dependent on the actual personalities of the persons representing key agencies, and sometimes due to other barriers (lack of prioritization, time or resources).

- **Appropriating new dollars that may only be accessed by those programs willing to work in partnerships or across systems** - Each of the study states used new funding as a “carrot” to encourage local programs to work across systems. Some states are also paying a higher rate for services provided in collaborative initiatives that meets higher standards. Thus, programs wish to participate not just to expand services, but to be able to have more flexibility with the funds or to be able to improve their services as a result of receiving more funding per child served.
- **Dedicating staff or resources to provide programs with technical assistance, which effectively doubles as a means to monitor implementation** - Each state has developed staff capacity to work with providers to assure they are meeting the standards and goals of the state’s early education initiative. In addition, states have established new policies and procedures to assist communities and providers, including: detailed grant applications and guidance; policy memorandum; technical assistance guides; model joint agreements and contracts.
- **Allowing new local flexibility in use of funds to increase coordination** - Massachusetts and Ohio allowed flexibility to localities to address coordination issues. Massachusetts provided grants to local community councils that were representative of child care, Head Start and public schools and allowed them to develop plans about how best to serve the children in their community together. Ohio developed partnership models and provided enhanced funding for state grantees willing to forge partnerships between Head Start and child care providers.

## 5) Tracking Progress and Measuring Results:

With growing amounts of federal and state dollars targeted for early education purposes, policymakers and the public are likely to demand a better picture of how funds are being spent and what child outcomes may be changing as a result of program participation. Current data systems are not adequate to provide a picture across early care and education systems and initiatives. Substantive evaluations of program implementation and subsequent child outcomes are only beginning to emerge and rarely cut across program types in the early care and education system.

### *State Responses:*

- **Increasing cross-cutting analysis capacity and upgrading data systems** - Each state is beginning to think through methods of increasing the ability of data systems to “talk” to each other across programs, e.g. merging child care subsidy waiting list data with data on preschool children served through a separate agency.
- **Analyzing available data and publishing reports to better describe the state of early care and education across program types and funding streams** - Massachusetts has culled data from all the relevant state and federal agencies and presented it in a report that seeks to paint a picture of where children are currently served in the state, and discuss potential areas of need in early care and education. This type of comprehensive data gathering is unusual at the statewide level.

- **Basing new initiatives on available data and requiring baseline community needs assessments** - States are targeting expansion of early education initiatives according to available demographic data and community needs assessment regarding supply and demand.
- **Building in process or outcomes studies specific to the focus of the early education initiative** - Each state built in a study early on in the implementation of the state initiative aimed at testing aspects key to the success of the program, e.g. parent satisfaction, quality of cross-program partnerships. Each state is developing means to measure longer term child outcomes as well.
- **Expressly measuring child outcomes across early education program types** - Massachusetts and Ohio have developed a process to gather data on children's progress as they participate in child care, Head Start, and pre-k settings and into their school years.

## Recommendations

While we find encouraging and promising approaches to collaboration among system segments in each of our study states, we believe that there is more that every state could do, and that there is an important federal role that is not currently being fulfilled. Currently, states must commit extensive time, planning, and resources in order to increase coordination of services to better promote early learning and support parents' work needs. Yet, this goal is increasingly on state political agendas. Accordingly, we have identified a set of recommendations for states and localities and for a potential federal role in supporting and promoting the development of comprehensive state initiatives.

- **Every state should establish an Early Care and Education Council** with required representation from the state child care agency, the state department of education, child care providers, the state Head Start Collaboration Office, the Head Start Association, the public school system, the state child care resource and referral agencies, parents, employers, and other relevant agencies and community representatives. Statewide councils already in existence might be appropriate to carry out this recommendation. The early care and education community should be actively involved in state and local efforts to create a more cohesive system.
- **The Council should conduct an Early Childhood Review, assessing all needs and resources for early childhood education in the state.** In the Review, states should assess their needs and resources across early childhood programs, including who is served with Head Start, prekindergarten and child care funding, what supports are available to each type of program and where are the gaps in services across the state. In addition, the Council should review state laws and procedures and develop recommendations to maximize opportunities to blend funding and partner across programs to meet system goals.
- **Based on the Early Childhood Review, each state should develop a multi-year State Strategic Plan,** specifically identifying goals for developing a system of universal access to early care and education services for all families, and specifying the action steps to be taken toward accomplishing those goals.

- **The federal government should provide incentive funds to states to promote universal access to early care and education services in accordance with approved State Strategic Plans.** New federal funds should be made available to states to promote better access to full-day, full-year early childhood programs serving children from birth to age five. As a condition of receiving these funds, states should be required to establish quality standards in key areas such as teacher qualifications, curriculum, and parent involvement. Funds should be used both for planning and to expand services and build upon existing child care, Head Start, and other existing early childhood programs. The newly authorized Early Learning Opportunities Act could serve as the vehicle for such an initiative.
- **Head Start expansion should encourage collaboration, full-day and full-year services, and flexibility to serve children under age three.** As more and more families enter the workforce, it has become critically important to promote full-day, full-year comprehensive services, particularly for low-income children. In addition, given the growing demand for care and education for infants and toddlers, expansion dollars should also be used to allow Head Start grantees to serve children under age three.
- **At the federal level, an *Early Childhood Coordinating Initiative* should be established and should include the U.S. Department of Health and Human Services (Head Start Bureau and the Child Care Bureau), and the U.S. Department of Education.** While Head Start and child care should continue to be administered through HHS, it is important to establish a formal structure involving both HHS and DOE in a systematic effort to address the joint needs across the range of early childhood programs. Other agencies such as the U.S. Departments of Labor and Commerce (Census Bureau) should be asked to join in the initiatives as appropriate. Input from states and communities should help inform this effort.
- **The Early Childhood Coordinating Initiative should encourage cross-program coordination and collaboration among Head Start, child care, and Department of Education-funded programs.** Those areas should include: technical assistance; literacy promotion; developing and maintaining a qualified early education workforce and high quality programs; coordinated data collection, system integration, and research; and identification of inconsistencies between federal funding streams and rules which have the effect of impeding coordination and collaboration in efforts to provide full-day, full-year comprehensive early education services.

The approach we propose in these recommendations recognizes and builds upon the accomplishments of recent years, the efforts already underway in states, and the simultaneous need for national goals and state flexibility. We believe these steps are needed to support an overall vision of an early care and education system responsive to both the education of young children and work support goals for all families.

## End Notes

1. Figure One does not include funds spent on early care and education from some smaller federal sources, such as the Social Services Block Grant, Individuals with Disabilities Education Act, Even Start, or 21st Century Learning Centers. See the U.S. General Accounting Office Report, *Early Childhood Programs and Services for Low Income Families* (November 1999) for additional information.
2. Head Start Bureau, Administration for Children and Families, U.S. Department of Health and Human Services, *2001 Head Start Fact Sheet*. [<http://www2.acf.dhhs.gov/programs/hsb/about/fact2001.htm>].
3. Children's Defense Fund, *State of America's Children 2001* (Washington, DC: Children's Defense Fund, 2001). CDF calculations are based on data from the U.S. Census Bureau and the Head Start Bureau.
4. See <http://www.acf.dhhs.gov/programs/ccb/policy1/archives/pi9804/chart.htm> for 1999 funding data, and <http://www.acf.dhhs.gov/programs/ccb/policy1/misc/approp01.htm> for 2001 data. Note that actual expenditures for FY99 may exceeded appropriated levels, because a state may spend previous year CCDF dollars in the current year and a state may transfer up to 30% of TANF funds to CCDF.
5. Administration for Children and Families, U.S. Department of Health and Human Services, *New Statistics Show Only a Small Percentage of Eligible Families Receive Child Care Help*. [<http://www.acf.dhhs.gov/new/ccstudy2.htm>] This study was of 1999 data.
6. See calculations by CLASP, *Use of Temporary Assistance to Needy Families (TANF) Block Grant for Child Care in Fiscal Years 1999 and 2000: Transfers to the Child Care and Development Fund (CCDF) and Direct Spending on Child Care*. [<http://www.clasp.org/pubs/childcare/tanfccfy99-00.pdf>].
7. Karen Schulman, Helen Blank and Danielle Ewen. *Seeds of Success: State Prekindergarten Initiatives 1998-1999* (The Children's Defense Fund: Washington, DC, 1999).
8. U.S. General Accounting Office, *TITLE I PRESCHOOL EDUCATION: More Children Served, but Gauging Effect on School Readiness Difficult*, GAO/HEHS-00-171, September 2000.
9. See Joint Committee on Taxation, *Estimates of Federal Tax Expenditures for Fiscal Years 2000-2004*, Table 1.— Tax Expenditure Estimates By Budget Function, Fiscal Years 2000-2004 & Table 3.— Distribution by Income Class of Selected Individual Tax Expenditure Items, at 1999 Rates and 1999 Income Levels. [[http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=2000\\_joint\\_committee\\_on\\_taxation&docid=f:61287.wais](http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=2000_joint_committee_on_taxation&docid=f:61287.wais)].

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