

Putting it Together: A Guide to Financing Comprehensive Services in Child Care and Early Education

By Christine Johnson-Staub
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CLASP develops and advocates for policies at the federal, state, and local levels that improve the lives of low-income people. We focus on policies that strengthen families and create pathways to education and work. Through careful research and analysis and effective advocacy, we develop and promote new ideas, mobilize others, and directly assist governments and advocates to put in place successful strategies that deliver results that matter to people across America.

CLASP's child care and early education work promotes policies that support both child development and the needs of low-income working parents. We support policies that expand resources for child care and early education initiatives at the federal, state, and local levels. We also study the relationships between child care subsidy systems, Head Start and Early Head Start, state pre-kindergarten programs, and other birth to five early education efforts, to advance ideas that ensure these systems address the full range of needs of children and families.

CLASP policy experts are available to provide in-depth technical assistance around the uses of particular federal funding streams and the development of strategies to deliver comprehensive services in child care and early education settings. Please contact Christine Johnson-Staub at cjohnsonstaub@clasp.org or Hannah Matthews at hmatthews@clasp.org for more information.

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Table of Contents

Introduction and Overview.....	6
Getting Started: How to Begin Planning a Funding Partnership.....	11
Financing Examples: Learning from States and Communities.....	13
Arizona Child Care Nurse Consultants.....	13
Iowa Child Care Nurse Consultants.....	15
New York’s Eat Well, Play Hard in Child Care Settings.....	15
Maine’s Targeted Case Management.....	15
Oklahoma Child Care Mental Health Consultation Network.....	17
Rhode Island Watch Me Grow.....	17
Grand Rapids Watch Me Grow.....	18
Tennessee’s Strengthening Families Initiative.....	19
Washington’s Building Family Resiliency Training.....	19
Funding Streams: The Nuts and Bolts of Federal Sources.....	21
Head Start and CCDBG.....	22
Temporary Assistance for Needy Families (TANF).....	23
Community Based Child Abuse Prevention (CBCAP).....	24
Title V Maternal and Child Health Block Grants.....	25
Early Childhood Comprehensive Systems (ECCS).....	26
Healthy Tomorrows Partnership for Children.....	26
Maternal, Infant and Early Childhood Home Visiting (MIECHV).....	27

Medicaid and the State Children’s Health Insurance Program (SCHIP).....	28
Elementary and Secondary Education Act, Title I.....	30
McKinney-Vento Education for Homeless Children and Youth.....	31
Individuals with Disabilities Education Act—Part C—Early Intervention.....	32
Individuals with Disabilities Education Act—Part B—Preschool Special Education.....	33
Supplemental Nutrition Assistance Program (SNAP).....	33
Project LAUNCH.....	34
Community Development Block Grant.....	35
Lessons Learned: Considerations When Designing a Financing Strategy.....	37
Appendix A: A Worksheet to Help States Get Started in Putting it Together.....	39
Appendix B: Additional Resources by Funding Agency.....	43
Appendix C: Medicaid State Plan Web-sites.....	49

Introduction and Overview

This guide aims to help states look beyond the major sources of child care and early education funding and consider alternative federal financing sources to bring comprehensive services into early childhood settings. Why? Because the sources of child care funding historically available to states have limited supply and allowable uses, and comprehensive services are critical to the success of children – especially those who are most at risk for developmental challenges and delays. The information in this guide can help states go beyond Head Start and Child Care and Development Block Grant (CCDBG) funds to build on early childhood systems and improve access to services for children. Partnerships expanding access to comprehensive services in child care and early education settings can take different forms. They can build program staff’s capacity to directly provide services to children, or they can bring other professionals (e.g. mental health consultants, nurses, etc.) and resources into early childhood settings to collaborate with child care and early education staff. In this guide, we explore partnerships using federal funding streams to provide comprehensive services to children in early childhood settings. These partnerships may be administered directly by child care and early education agencies or by partner agencies with authority over the funds.

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Overview

This guide provides state policymakers and advocates with strategies to maximize resources and make policy changes that drive funds, resources, and community partners to child care and early education programs to benefit young children and families. Separate from blending and braiding funding streams at the local or program level, the strategies described in this guide focus on state policy decisions that can facilitate the innovative use of funds, encourage partnerships at the state and local level, and replicate promising models from other states.

Through the guide, CLASP seeks to:

- Expand the ways early childhood leaders think about financing comprehensive services for children;
- Provide examples and models of strategies stakeholders have used to finance comprehensive services for children ages birth to five in a variety of states and communities; and
- Provide the critical information states need to be able to explore the use of potential federal funding sources for comprehensive services.

The Financing Guide is organized into four sections, highlighting the phases of partnership development and key resources for states exploring partnerships.

- ✓ **Getting Started: How to Begin Planning a Funding Partnership.** This section provides states with questions to consider as they plan to embark on new strategies for financing comprehensive services.
- ✓ **Funding Examples: Learning from States and Communities.** This section provides profiles of initiatives in states and communities implementing strategic financing partnerships to provide comprehensive services via early childhood settings.
- ✓ **Funding Streams: The Nuts and Bolts of Federal Sources.** This section reviews federal funding streams with the most potential for supporting comprehensive services within child care and early education settings, and provides detailed information on their allowable uses and other important considerations for each.
- ✓ **Lessons Learned: Considerations When Designing a Financing Strategy.** The guide concludes with considerations and a summary of lessons learned by states that have implemented financing partnerships to deliver comprehensive services within child care and early education settings.

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Comprehensive Services: Centerpiece of High Quality Early Care and Education

There is widespread agreement that young children, particularly those most at risk for developmental challenges, can benefit from high quality child care and early education. Research has shown that high quality early care and education promote healthy development and provide children with benefits that last throughout life. Studies like the National Institute of Child Health and Human Development (NICHD) Study of Early Child Care and Youth Development, the Title I Chicago Child-Parent Center Program, and the HighScope Perry Preschool Study have found that participation in programs with structural characteristics associated with quality (education levels of teachers, learning environments, etc.) lead to better outcomes for children over the long-term.¹ Other studies show that elements incorporated into these

¹ Vandell, D., Belsky, J., Burchinal, M., Steinberg, L., Vandergrift, N., & the NICHD Early Child Care Research Network, “Do effects of early child care extend to age 15 years? Results from the NICHD Study of Early Child Care and Youth Development,” *Child Development*, 81(3) (2010): 737-756. Reynolds, A. J., Temple, J. A., Robertson, D. L., Mann, E. A., “Age 21 Cost-Benefit Analysis of the Title I Chicago Child-Parent Centers,” *Educational Evaluation and Policy Analysis*, Vol. 24, No. 4 (2002): 267-303. Lawrence J. Schweinhart, Jeanne Montie, Zongping Xiang, William S. Barnett, Clive R. Belfield, and Milagros Nores. *Lifetime effects: The High/Scope Perry Preschool study through age 40*. Ypsilanti: High/Scope Press, 2005.

high quality programs, such as the comprehensive services provided by the Chicago Child-Parent Center Program, lead to positive outcomes for children. For example, screening children for developmental delays and connecting them to early treatment appear to have significant long-term benefits, such as reducing future needs for special education services, and improving performance in the early school years.²

Child and family services falling under the definition of comprehensive services within a child care and early education setting may include:

- Connection and access to **preventive health care services**, such as assistance in connecting families to medical homes and insurance, preventive dental screenings, and tracking of vaccination and medical screening records;
- Support for **emotional, social, and cognitive development**, including screening children to identify developmental delays, mental health concerns, and other conditions that may warrant early intervention, mental health services, or educational interventions;
- **Family support**, including parent leadership development, parenting support, abuse prevention strategies, and connecting families to needed social services.

Early childhood programs, researchers, and policymakers have increasingly promoted this comprehensive view of early childhood services and have developed strategies like blending, braiding or layering funding at the program level; expanding the reach of the comprehensive Head Start and Early Head Start models; and supporting community and state level partnerships to connect families to comprehensive services using state and federal dollars.

Driving these innovations is state leaders' desire to realize the positive effects of high quality care and education, which frequently includes wanting to document increased school readiness among children served. How that goal is defined varies. As an illustration, in 2005, a collaboration involving early childhood leaders from 17 states produced a set of 23 key indicators for school readiness that reflect appropriate child development and assessment, as well as the important roles of families, communities, service providers and schools. A selection of these core indicators is presented in Table 1.³ Many of these indicators can be addressed through the provision of comprehensive services within early childhood programs, home visiting services, or other community-based strategies.

² American Academy of Pediatrics, Committee on Children with Disabilities, "Developmental Surveillance and Screening of Infants and Young Children," *Pediatrics*, Volume 108, No. 1 (July 2001): 192-196.; Marian F. Earls and Sherry Shackelford Hay, "Setting the Stage for Success: Implementation of Developmental and Behavioral Screening and Surveillance in Primary Care Practice – The North Carolina Assuring Better Child Health and Development (ABCD) Project," *Pediatrics*, 118 (2006): 183-188.

³ Rhode Island KIDS COUNT, *Findings from the National School Readiness Indicators Initiative: A 17 State Partnership*, David and Lucile Packard Foundation, the Kauffman Foundation, and Ford Foundation, 2005.

Table 1. Select Indicators and the Potential to Support Them in Child Care and Early Education

Select Core Indicator Areas ⁴	Services that Could Support Indicator
Ready Children:	
Physical Well-Being and Motor Development	Appropriate developmental screening; referral to appropriate interventions; connection to medical home
Social and Emotional Development	Mental health and behavioral consultation; Appropriate developmental screening; referral to appropriate interventions
Ready Families:	
Child Abuse and Neglect	Family support, parenting education, and child abuse prevention activities
Ready Communities:	
Supports for Families with Infants and Toddlers	Infant and Toddler Specialists; Family support; Parenting education
Lead Poisoning	Connection to medical provider for appropriate lead screenings
Ready Services – Health:	
Health Insurance	Connection to medical home; Information about health insurance options; connections to public health insurance, including Medicaid benefits.
Immunization	Connection to medical home; Information about importance and timing of immunizations

Why the Timing is Right to Explore Financing Partnerships

As this guide is written, states are struggling with severe budget crises fueled by state revenue shortfalls that are resulting in cuts to human services programs. Deep cuts to federal funding for human services programs are also on the horizon. States are particularly challenged around financing, and may not see a way to expand access to comprehensive services for children and their families. And yet, there is no better time to consider new financing strategies to support comprehensive early childhood services. Consider the following:

- The same economic climate that has led to revenue shortfalls has created a dramatically greater need for comprehensive early childhood services. Families that have lost jobs or earnings are struggling with food insecurity, poverty, and challenges in accessing medical care—all of which contribute to developmental challenges for children and stress for their families.
- Important stakeholders in the early childhood field—business leaders, policymakers, and others—are watching their investments closely, and are expecting to see measurable child outcomes. Research tells us that the types of outcomes they seek are achievable only through access to high quality services, which include the delivery of comprehensive services.
- An increasing number of states are approaching their delivery of early childhood services systematically, i.e. exploring ways to coordinate service delivery sectors and funding streams and align related policies to build comprehensive early childhood systems. State policymakers can

⁴ Rhode Island KIDS COUNT, *Findings from the National School Readiness Indicators Initiative*.

and should review a variety of federal funding streams to support this work. Indeed, state and local models of collaborative financing are beginning to emerge, and can be instructional as more communities begin exploring financing options.

- Allocations for the major federal funding streams supporting child care and early education for low-income and at-risk children—Head Start, the Child Care and Development Block Grant (CCDBG) and the Temporary Assistance for Needy Families (TANF) block grant—are insufficient. Only 40 percent of eligible preschoolers are served in Head Start and about 3 percent of eligible infants and toddlers are served in Head Start and Early Head Start, the funding for which requires that programs provide a full array of comprehensive services for children and families.⁵ CCDBG serves one in six federally-eligible children and states do not pay programs at rates high enough to support comprehensive services. Although HHS recommends that states pay providers at or above the 75th percentile of the child care market—the point at which three quarters of the existing market can be purchased at the established rate—in 2011, only Montana, New York and South Dakota met or exceeded this recommendation.⁶
- In most states, dedicated child care and early education dollars aren't sufficient to pay for the full costs of providing quality care and education that includes comprehensive services for families. As a result, some states have looked for ways to use a mix of federal and state funds to support elements of comprehensive services in ways that most effectively reach children and families, including by connecting federal funds to child care and education programs and providers serving young children and their families.

Methodology

CLASP used a variety of strategies to gather information for this guide. First, CLASP interviewed a number of national experts who provided an overview of the use of various funding streams, and who helped identify states and communities where the funding streams were being used to support comprehensive services. Next, we identified promising models on the state and local level, and interviewed policymakers, advocates, and administrators to learn about their experiences implementing those models, as well as any challenges they encountered or lessons they learned. Finally, we conducted detailed research of the administrative policy related to each of the funding streams to identify potential opportunities and barriers related to using those funds to support comprehensive services.



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To access the **Putting it Together: A Guide to Financing Comprehensive Services in Child Care and Early Education** visit: <http://www.clasp.org/admin/site/publications/files/A-Guide-to-Financing-Comprehensive-Services-in-Child-Care-and-Early-Education.pdf>

⁵ National Women's Law Center analysis of Census data.

⁶ Karen Schulman and Helen Blank, *State Child Care Assistance Policies 2011: Reduced Support for Families in Challenging Times*, 2011, http://www.nwlc.org/sites/default/files/pdfs/state_child_care_assistance_policies_report2011_final.pdf.