National Association of Counties

Financing Early Care and Education

A Primer for County Leaders

April 2003

National Association of Counties (NACo)

Founded in 1935, the National Association of Counties (NACo) is the only national organization in the country that represents county governments. With headquarters on Capitol Hill in Washington, D.C., NACo's primary mission is to ensure that the county government message is heard and understood in the White House and in the halls of Congress.

NACo's purpose and objectives are to:
- Serve as a liaison with other levels of government;
- Improve public understanding of counties;
- Act as a national advocate for counties; and
- Help counties find innovative methods for meeting the challenges they face.

NACo's Presidential Initiative on Early Childhood Development and School Readiness

With support from The Annie E. Casey Foundation, the presidential initiative seeks to: (1) educate county officials about the importance of the early years and the numerous advantages that can be realized from early intervention and prevention programs, (2) highlight successful programs that can be duplicated by counties throughout the country, and (3) support county efforts to provide new and improved early childhood and family services.

NACo has appointed a special Task Force on Early Childhood Development to help guide and promote this yearlong presidential initiative. The task force is composed of elected and appointed officials.

For additional information about NACo's presidential initiative on early childhood development and school readiness, please contact:

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Introduction

This primer provides a brief overview of early care and education finance from the perspective of local elected officials. A summary of key state and federal funding streams is included, as well as information on ways that county leaders can get involved in early care and education finance.

Even when county governments do not have direct responsibility for administering early care and education funds county leaders can still play a key role in financing these services. In fact, your leadership is vital. Why? Because there is no comprehensive early care and education financing structure in the US. Multiple funding streams – at various levels of government – are available to support a wide range of programs and services. The federal government funds some services, the state funds others, local school districts and city or county governments are sometimes involved, and the private sector is an important funder in some communities and states. The one place where all early care and education funds and services come together is in communities. Thus, local elected officials – who make policies and provide leadership at the local level – have a very important role to play in ensuring that early care and education funds are effectively coordinated and that families understand what services are available and how to access them.

Indeed, there are times when local elected officials are directly involved in early childhood finance. Some states, for example, either require a local match in order to draw down the funds that support child care subsidies for low-income families or allow local governments to tap additional state or federal funds if they can raise local matching dollars. Others give local governments the ability to make policy regarding the eligibility levels and family co-payments for the state's child care subsidy program. Local governments can also elect to use revenue-sharing dollars, such as the Community Development Block Grant, to support child care. Or they can appropriate their own tax levy funds for child care. Some local governments – including several counties in Florida as well as in Washington, Oregon and Colorado – have levied special taxes earmarked for early childhood services.[1]

While this primer is focused on finance, it is important to note that local officials do not always need to spend money in order to have an impact. There are several low-cost ways that county leaders can be involved in early care and education finance. County officials can use their leadership role as a "bully pulpit" to bring funders and programs together to forge a coordinated financing strategy. They can help to focus dollars where they are most needed, provide vital, local data to guide planning, and help to develop policies that link funds to accountability and quality. County leaders can also encourage the kind of strategic thinking that leverages additional funds from outside sources.

Major Funding Sources

Although there are well over a hundred different funding streams that can be used to support early care and education services, the most common funding sources include the following:

■ The Child Care and Development Fund (CCDF)

... is a federal block grant that supports child care services. States must meet maintenance of effort requirements in order to drawn down CCDF dollars. Additional funds are available if states provide matching funds. Most of a state's CCDF allocation must be used to help low-income families who are employed or in an educational program pay for child care. States have the option of serving families with incomes up to 85% of the State Median Income who have children under age 13. Parents must be allowed to chose their child care provider and states are required to establish payment rates that allow these families to have access to the same care as non-subsidized, fee-paying families. The CCDF further requires that states spend at least 4% of their allocation on activities that promote quality and improve the availability of child care, including child care resource and referral programs, practitioner compensation initiatives, training and technical assistance, grants or loans to providers, etc. States must also establish health and safety standards for child care services.[2]

CCDF funds flow from the federal government to the state's lead agency (typically the state social services department or children's services agency). States that have county-administered social service systems then allocate CCDF funds to counties, who may be given authority to establish local policies regarding family eligibility and provider reimbursement.

For detailed information on CCDF rules and regulations, see *www.acf.hhs.gov/programs/ccb/policy1/index.htm*.

The National Child Care Information Center State Profiles include basic information on child care policies in each state as well as links to the state agencies that administer these funds (*www.nccic.org/statepro.html*).

■ Temporary Assistance to Needy Families (TANF)

... is a federal block grant intended to provide temporary, time-limited cash assistance to poor families as well as supports for individuals moving from welfare to work. Child care is one of the major work supports included in the TANF law. States can spend TANF funds for child care in two ways: 1) they can transfer up to 30% of their TANF block grant to CCDF, the Social Services Block Grant, or a combination of the two; and, 2) they can spend and unlimited amount of TANF funds directly on child care. TANF funds transferred to CCDF must follow the CCDF rules. TANF funds may also be used to finance home visiting, so long as the state demonstrates that the activity meets one of the four TANF goals.

TANF funds flow from the federal government to the state's designated agency (typically a human services or employment agency). The state makes decisions regarding how much of these funds to spend on child care—either directly or as a transfer to CCDF. States that have county-administered social service systems may include these funds in their county child care allocations or may establish rules regarding how TANF funds may be used for child care.

For more information on TANF, see *www.acf.hhs.gov/programs/ofa/*.

For more information on using TANF funds for child care, see *www.clasp.org/Pubs/DMS/Documents/1012493340.75/*.

For more information on using TANF funds for home visiting, see *www.nga.org/center/divisions/1,1188,C_ISSUE_BRIEF^D_615,00.html*.

■ The Social Services Block Grant (SSBG)

... also known as Title XX, can be used to fund a wide range of services, including child care and home visiting. SSBG grants are determined by a statutory formula based on each State's population, and within general parameters of the Act, states are given discretion to determine which services and target groups they fund. Some states allocate a significant amount of SSBG dollars for early childhood services while others allocate none.

SSBG funds flow from the federal government to the state's designated agency (typically the human services agency). The state makes decisions regarding how much of these funds to spend on children's services. States that have county-administered social service systems may include these funds in their county child care allocations or may give counties a separate SSBG allocation and establish rules regarding how funds may be used for child care.

For more information on using SSBG funds for early care and education, see *www.acf.hhs.gov/programs/ocs/ssbg/docs/cdcfocus00.htm*.

■ Head Start and Early Head Start

... are comprehensive child development programs designed to serve poor children and their families. Ninety percent of the children served by these programs must have family incomes at or below the poverty level (which is $15,260 for a family of three in 2003) and at least 10% of the slots must be made available to children with disabilities. Head Start children (ages 3 and 4) typically receive a part-day, part year preschool program plus comprehensive health and social services, however, some grantees have combined funds from multiple sources to provide full-day and/or year-round services and others use a home visiting model. Early Head Start (infants and toddlers) uses various program delivery models, and many are home-based. Additional federal funds are made available to Head Start and Early Head Start programs for staff development and technical assistance.

Federal Head Start and Early Head Start funds flow directly from the federal regional office to the local grantee. Most grantees are community-based organizations (70%), however some are public or private school systems (16%) and a few (6%) are government agencies. Performance standards are established and monitored by the federal government. Some states supplement federal Head Start or Early Head Start funds, and in these cases, funding and monitoring policies vary. Each state has a Head Start Collaboration Office to help coordinate services (these offices are identified on the National Child Care Information Center (NCCIC) state profiles at *www.nccic.org/statepro.html*).

For more information on Head Start go to *www.acf.dhhs.gov/programs/hsb/*.

For more information on Early Head Start go to *www.ehsnrc.org* or *www.headstartinfo.org/recruitment/ehs_fct2.htm*.

■ Medicaid

... rules offer several possibilities for supporting home visiting and early screening efforts for children and families, in addition to basic health coverage. Under Early and Periodic Screening, Diagnostic and Treatment (EPSDT) services, Medicaid funds may be used to support a broad range of services, including home visiting. Additionally, states may opt to use Medicaid Targeted Case Management funds to help eligible individuals access needed medical, social or educational services, and they may use Administrative Case Management funds for activities like outreach and eligibility determination. Another option is that states can fund home visiting as a special category of preventive services.

Medicaid funds flow from the federal government to the state health department or designated Medicaid agency.

For more information see *www.nga.org/center/divisions/1,1188,C_ISSUE_BRIEF^D_3927,00.html*.

■ The State Child Health Insurance Program (SCHIP)

... makes funds available to states to create and expand health insurance for uninsured children. These federal funds, which may be used to pay for insurance as well as outreach and administration, are allocated to states based on the percentage of uninsured children with family incomes below 200% of the federal poverty level. States have broad flexibility to design programs that meet their needs, including setting eligibility criteria regarding age, income, residency and duration of coverage. In addition to providing health insurance, states can also fund home visiting as a special category of SCHIP preventive services.

SCHIP funds flow from the federal government to the state health department or designated Medicaid agency. States must submit SCHIP plans the federal Health Care Financing Administration (HCFA).

For more information, go to *http://cms.hhs.gov/schip/* or *www.nga.org/center/divisions/1,1188,C_ISSUE_BRIEF^D_1664,00.html*.

■ The Maternal and Child Health Services Block Grant (Title V)

... provides states with flexible funds that can be used to support services that assure the health of women, children and youth and their families. Planning and promoting family-centered, community-based, coordinated care is a key goal of the initiative. Home visiting, training, research and outreach are among the many allowable uses of these funds.

Title V block grant funds flow from the federal Maternal and Child Health Bureau to the state health department or designated agency, based on annual submission of a state application and Annual Report. States have the flexibility to makes decisions regarding how the funds will be spent and whether not they are used for early care and education initiatives like home visiting. For more information, see *http://aspe.os.dhhs.gov/cfda/P93994.htm* or *www.ssa.gov/OP_Home/handbook/handbook.23/handbook-2332.html*.

■ Child Welfare Services (Title IV-B)

... makes 75 percent Federal matching grants to States for services that protect the welfare of children, including the following: prevention of neglect, abuse, exploitation or delinquency and unnecessary separation of children from their families; and support for foster care when children cannot return home or be placed for adoption. There are no Federal income eligibility requirements for the receipt of child welfare services.

Title IV-B funds flow from the federal Agency for Children and Families Children's Bureau to the state's child welfare agency.

For more information, see *www.acf.hhs.gov/programs/cb/programs/state.htm*.

■ State Pre-Kindergarten

... initiatives support preschool programs for children younger than kindergarten entry age. A large number of states fund programs that serve both 3 and 4 year old children, and a growing number are making these programs available to all families regardless of income. However, states often limit pre-kindergarten dollars to four-year old children from disadvantaged families. Only seven states require that pre-kindergarten programs be located in public schools. Most states allow both public and private early childhood programs to participate. Program standards are typically established by the state education department, and vary from state to state. Many states require pre-kindergarten programs to ensure that the children enrolled have access to health and social services, and some require or encourage home visits.

Pre-kindergarten funds are typically administered by a state education department. The education department either contracts directly with early childhood programs or allocates funds to local school districts, who may elect to sub-contract with private early childhood programs to operate all or some pre-kindergarten classrooms.

For more information on state policies regarding pre-kindergarten programs see *www.NIEER.org* and *www.ecs.org/clearinghouse/27/24/2724.htm*.

Sometimes school districts establish a local Pre-Kindergarten program, whether or not their state has a statewide pre-kindergarten initiative, and some districts allocate additional funds to expand the state-funded program. Schools typically use federal Title I, special education or local tax levy funds to support these efforts. Four states (ME, WI, WV and PA) have "permissive pre-kindergarten" which means that school districts may elect to offer "kindergarten" for four-year old children in public schools and claim state aid for them. Some districts with preschool programs also charge tuition to help pay for the services.

■ The Child and Adult Care Food Program (CACFP)

... provides grants to states to help pay for meals and snacks to children in child care programs. CACFP is an entitlement program, which means that the allocation is not capped and states will get more federal funds if participation in the program increases.

Eligible center and home-based child care programs must be licensed or approved by the state and provide nutritious meals and snacks to children up to age 12. Home-based child care providers may receive CACFP food subsidies if they are regulated or approved, part of a network administered by an eligible sponsoring organization, and participate in regular home visits where they receive training on nutrition related and administrative issues.

CACFP funds flow from the federal government to the state's designated agency (typically the education department), who then awards funds to participating providers and sponsoring agencies.

For more information about CACFP guidelines, see *www.fns.usda.gov/cnd/Care/CACFP/cacfphome.htm*.

■ State-driven Community Early Childhood Initiatives

... are designed to create state and local partnerships aimed at increasing school readiness among young children and include a wide range of efforts, such as Smart Start (NC and KS), KIDS NOW (KY), First Steps (SC), the Partnership for School Readiness (FL), and many others.

While the initiatives vary widely -- in size and scope, number of communities involved and governance structures – they typically include a local planning/needs assessment component and then award flexible funds to help fund gaps in service. Most of these initiatives fund center and home-based preschool programs as well as a range of prevention services, including home visiting.

To find out if an initiative of this type is available in your state, see *www.childrensdefense.org/cc_report_bringtogether.htm*.

■ The federal Early Learning Opportunity Act (ELOA)

... makes funds available to help increase, support, expand and better coordinate early learning opportunities for children and their families through local community organizations. Grants are awarded to Local Councils that assess their community needs and create a plan to facilitate the development of community- based systems and collaborative service delivery models. A wide range of services may be funded, including, among others, child care and home visiting. ELOA funds are limited and awards are quite competitive.[3]

ELOA funds flow from the federal Child Care Bureau directly to the local grantee.

For more information on ELOA grants, see *http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=2002_register&docid=fr25ap02-65*.

■ Local Tax Levy

... funds are available in some cities and counties. Seven Florida counties (Miami-Dade, Hillsborough, Martin, Okeechobee, Palm Beach, Pinnellas and St. Lucie) have established children's services districts that levy an additional property tax dedicated to funding a range of services for children. Similarly, Kings County (Seattle) in Washington has a Families and Education Levy attached to their local property tax. And voters in Multnomah County (Portland) in Oregon recently approved a five-year property tax levy dedicated to children's services. Through a public referendum called "Proposition J" the City of San Francisco, California has since 1991 set-aside a specific amount of their local property tax dollars for children's services.

Counties have also raised funds through sales and "sin" taxes. Over ten years ago voters in Aspen, Colorado approved an additional sales tax levy earmarked for affordable housing and child care. More recently, all of the counties in California began to receive funds from a statewide cigarette tax earmarked for children's services, called "Proposition 10."

For more information on local tax levy strategies, see: *www.emkf.org/pdf/childcare2001.pdf*.

■ Private sector

... funds vary widely from community to community. Many areas have community foundations that are actively engaged in early childhood issues. Others have major employers that play a lead role in funding child care for their employees. Faith-based organizations can also be important leaders, and frequently house preschool programs. Perhaps the one private sector entity that plays a key role in early childhood financing throughout the United States is the United Way.

In some communities, United Way funds are allocated as a grant to a specific program. In others, the dollars are used as flexible scholarship funds and are administered by a child care resource and referral agency or other local entity. Some United Way agencies elect to provide support to the child care system as a whole—through grants for professional development, program accreditation or facilities. Local Success by Six initiatives have been funded by the national United Way office in some communities, and these initiatives may be providing funds to local early childhood programs.

For more information on what the United Way may be doing in your county, see *www.succcessby6.org*.

■ Individual Tax Benefits (two types)

... are available for child care: the Dependent Care Tax Credit (DCTC) and Dependent Care Assistance Plans (DCAP).

The Dependent Care Tax Credit (DCTC) allows taxpayers to claim a credit for some of the expenses of work-related child care. The credit may be claimed for any legal form of child care used so that parents can work, including: child care centers, nursery schools, family child care homes, in-home child care (such as nannies), paid care provided by relatives, and day camps.

Benefits vary by income, and although they were recently increased are still quite small when compared to the annual cost of child care for most employed families. For example, the maximum federal credit for a family that earns $41,001 per year and spends at least $6,000 for two children in child care is $1,200. A similar family that earns less than $15,000 a year is eligible for a higher credit—up to $2,100 for two children—but only if they spent $6,000 for child care (an unlikely scenario since this would be more than half their take-home pay) and if they have any tax liability (because the federal credit is not refundable.) Thus, these maximums do not reflect reality. In practice, most families receive only a few hundred dollars a year from the federal dependent care tax credit.

Twenty-seven states have established state-level dependent care tax credits or deductions for dependent care expenses. Most state tax provisions are linked to the federal credit. While state credits are also quite small, a few states (such as New York, Minnesota, Nebraska, California and Hawaii) have made their credits more generous and made them refundable so that they benefit lower-income families.

When the federal and state credits are combined, family benefits in these states could be significant. While the base credit is quite low in Maine, this state doubles the credit for families who use higher quality child care programs. And Oregon has created a second state credit, called the Working Family Child Care Credit.

For more information on the federal and state DCTC, see *www.nwlc.org/pdf/MakingCareLessTaxing2002.pdf*.

Taxpayers whose employers have established a Dependent Care Assistance Plan (DCAP) can set aside up to $5,000 from their salaries before taxes to help cover the cost of child care, elder care, or care of a disabled spouse or domestic partner. Any employer, public or private, proprietary or nonprofit (including county governments), may establish a DCAP. Under a DCAP, the employee's pay is reduced by the amount designated by the employee, and these funds are set aside in a special account to pay dependent care expenses. The employee does not pay social security taxes on these funds. The employer also saves its share of Social Security taxes on funds placed in a DCAP.

For more information on DCAPs, see *www.nwlc.org/pdf/Q&A_DCAP2003.pdf*.

Types of Early Care and Education Programs

The funding sources described above may be used to support a rage of early childhood programs, including center-based and home-based child care and home visiting.

Recognizing that funding sources and types of care are not synonymous is a key concept in early childhood finance. It is easy to assume, for example, that because pre-kindergarten funds are administered by a state education department that the programs must operate in school buildings. But in most states these funds are awarded to public and private programs, located in school as well as community-based settings. Similarly, in many communities Head Start is not a discreet program but rather a funding stream that helps to support a comprehensive, year-round, child development program that offers a range of services for children of varying ages and socioeconomic status. Most of the funds that are available for home visiting may be used for a range of models and approaches. Building on this flexibility in funding and service delivery is key to maximizing resources as well as ensuring that the diverse needs of families and children are met.

■ **Center-based**

... early care and education includes full and part-day programs located in community-based organizations, schools, churches and synagogues, recreation centers, etc. These programs have many different names, and may serve children of all ages or simply focus on one age group. Child care centers, Head Start, prekindergarten, nursery schools, and before- and after-school care programs are all examples of center-based early care and education. Center-based programs employ a wide range of curricula and some approaches, such as Head Start, include home visiting as part of the core services.

■ **Home-based**

... early care and education includes full and part-day services that are provided in a home setting by one or two caregivers. Often referred to as family child care or group family child care, these home-based child care programs are sometimes part of a larger provider network, a Head Start program or other early learning initiative. Some home visiting programs deliver services home-based settings.

■ **In-home**

... early care and education includes full and part-time care and education in a child's home. Working families might hire a friend, relative, professional nanny or secure the services of a foreign "au pair" to provide in-home care. Some dual income families stagger their work schedules so that one parent is at home while the other works.

■ **Home visiting initiatives**

... are typically delivered in the child's own home so that the visitor can work with both the child and their parent(s) although some models are linked to center- and home-based early childhood programs. The goals, frequency of visits, staffing, target population and approach used by home visiting initiatives differs widely. Some are focused on preventing child abuse. Others are designed to promote children's health or to assist families in preparing children for school. A few are linked to a center-based early learning program and designed to promote school readiness by encouraging parental involvement in and understanding of the program.

Key Roles for County Leaders

There are many ways that county leaders can become involved in early care and education finance. Several of these are described below.

■ Leadership

Simply drawing the community's attention to early care and education issues is an important first step. Families are often reluctant to ask for help – even if they are struggling to find affordable, high-quality programs for their children – and many local organizations are simply unaware of local early care and education needs or resources. As noted earlier, early care and education programs report to different funders, at different levels of government and in different administrations. The one thing they have in common is that the programs are all located in your county. Using your role as a county leader to bring these players together, to learn about one another as well as promote shared planning and coordinated service delivery, can yield results.

■ Diversification

Financial planners tell us that one of the most important principles of financial planning is diversification. A portfolio that is diversified can more easily weather financial storms, and will find equilibrium as some investments rise and others fall. Unfortunately, many early childhood programs rely exclusively on one or two funding sources. This makes them very financially vulnerable. But early childhood program directors are often hesitant to blend funds because they worry about being accused of "double-dipping." Helping to build collaborative financing systems that allow programs to layer funds from multiple sources into a single program can strengthen accountability and also ensure that the early care and education providers in your community are able to provide affordable, high-quality services.

Cuyahoga County, Ohio

The Early Childhood Initiative (ECI), which was spearheaded by the Cuyahoga Board of County Commissioners, includes representatives of the county, state and federal governments as well as 23 foundation and corporate funders, more than 50 community service agencies and all birthing hospitals in the county.

The aim of ECI is to ensure that all children get the best possible start in life so they begin school ready to learn and achieve their maximum potential. Services are delivered through a network of health care, child care and social service organizations.

A number of program strategies have been implemented with the goals of improving parenting through both universal and targeted home visiting, assuring adequate supply of child care and improving the quality of care for all children including those with special needs, and promoting the health of children by expanding enrollment in Medicaid and assuring children receive well child care. The Initiative aims to provide services to all children in Cuyahoga County who would benefit from them.

In its first three years, the Early Childhood Initiative budget was $40 million dollars with $30 million came from local, state, and federal sources, and $8.9 million was raised from 23 private philanthropic funders. The ECI has funding commitments at the same level for years four and five and is seeking permanent funding beyond year five from a County Health and Human Services levy on the ballot in May, 2003.

For more information see: *www.cuyahoga.oh.us/fcfc/eci.htm*.

■ Collaboration

One of the primary barriers to effective collaboration is that the various entities that fund early care and education services have different rules, regulations, program standards, monitoring requirements and so forth. You can, however, use your role as a county leader to help build bridges among the various administrative entities and begin to craft common policies. This type of collaborative planning not only helps to improve services for children and families but can also streamline finance, reduce administrative costs and improve accountability – all of which are vital to effective early care and education finance. Several of the counties that participate in Colorado's Consolidated Child Care Pilot initiative have sought waivers from state rules to allow improved coordination (see the profile of Mesa County on page 9.)

■ Leverage

Local child care funds can often be used to leverage additional state, federal or private sector funds. Even small allocations can produce big results. In some states, for example, counties that allocate local dollars – or convince private sector entities in their area to contribute to child care – can use these funds to draw down additional state or federal dollars. Banks, Community Development Financial Institutions, and other economic development entities can also be key partners in crafting strategies that leverage additional funds and investments. All of the initiatives profiled in this paper have used county leadership and funding to leverage outside funding.

Accountability and Quality

Long-term research tells us that high-quality early childhood programs can have a profound effect on a child's success in school and life. But evaluation research reveals that most of our early childhood programs are mediocre at best, and some care is so poor that it puts children's health and safety in danger. Working with local and state regulatory bodies to ensure that child care programs meet minimum health and safety standards is a first step. Other effective ways to promote high-quality early childhood services include: using quality standards to drive consumer demand, establishing common funding standards for all early childhood programs and promoting tiered reimbursement linked to quality. The quality rating system developed by Colorado Educare is an excellent example of this approach. (See *www.educarecolorado.org*, as well as the box on this page.)

Mesa County, Colorado

In 1997, when Colorado developed a state initiative aimed at giving local governments more authority over early care and education funds and services, the early childhood advocates in Mesa County were in the process of forming the Quality Care and Education Coalition. A county commissioner urged this group to join with other organizations and participate as a pilot site. The Mesa County Early Childhood Partnership (ECP), a collaborative of 22 organizations, grew from this work. (The Quality Coalition is now one of 7 ECP committees.) Key goals of the Partnership include ensuring quality, accessible medical and dental coverage for children as well as affordable, accessible, high quality early care and education services for all families.

ECP has developed a host of initiatives, including: a flexible pool to support professional development, mentoring programs, behavioral intervention planning, nurse consultation for child care settings, a preschool mental health therapist for the school district and several specialized training and assessment initiatives aimed at helping early childhood programs address the needs of children with have problem behaviors or are under stress.

Accountability and coordination are central to ECP's work. For example, the Partnership has used the Colorado Educare quality rating system (*www.educarecolorado.org*) in several ways: as a consumer education tool, as an accountability measure for higher public reimbursement rates, and as a tool to help child care programs in poor performing school districts prepare young children for school. Efforts to coordinate the multiple home visiting programs in the county led ECP to a cooperative agreement aimed at ensuring that families have a single, coordinated plan for home visiting services.

The Partnership receives financial support from county government as well as from the state and private sector. For more information, go to *www.mesacountyearlychildhood.org*.

Alameda County, California

Two entities help to plan and coordinate early care and education financing in Alameda County, California. The Child Care Planning Council (*http://acgov.org/childcare/*) is governed by a steering committee appointed by the by the County Board of Supervisors and Superintendent of Schools and is focused on maximizing local, state, federal and private resources for child care in Alameda County. Every Child Counts (*www.ackids.org/index.shtml*) is an administrative agency established to oversee a high-quality, community-based, county-wide system of services for young children and their families. While the primary funding source for Every Child Counts is the tobacco tax (California's Proposition 10), these funds are used to leverage additional state, federal and foundation resources and to focus on reform and effective service integration. The Planning Council and Every Child Counts collaborate on planning and promoting early care and education services, including the following initiatives:

The Child Development Corps is a professional incentive program that includes stipends for early childhood staff, based on educational levels, and professional development support.

The Child Care Fund offers grants and/or loans for facility development, renovation and improvement, as well as business education for child care providers. The Fund includes a unique quality improvement initiative that links grants to program assessment and a plan for continuous improvement.

Post Partum Home Visits are made available to families of newborns. The visits are conducted by public health nurses and bilingual hospital outreach workers. Up to 10 additional visits are available for families with greater needs.

The Hand in Hand school readiness initiative focuses on children who will attend kindergarten at low-performing schools and have no previous group child care experience. Home visits are coupled with field trips and an eight-week, school-based "summer camp" that not only helps the child experience group care but also builds relationships among children, parents and classroom teachers.

Evaluation results of home visiting initiatives are also mixed.[4] The flexible and individualized nature of home visiting services, difficulty in measuring specific outcomes and isolating program effects in a complex social world, the amount of time required before programs are likely to show results and a host of other challenges influence home visiting evaluations. As a result, when home visitation is the only service a family receives, policy makers should have modest expectations for results.[5] Research indicates that long-term success in school and life is most likely when children receive a combination of center-based services and significant family involvement thorough home visiting or other supports.[6]

■ A Focus on All Families

In nearly every state in the nation the price of enrolling a preschooler in a full-time child care center is higher than tuition at a state college. It should come as no surprise, then, that finding and paying for high-quality early care and education isn't a problem limited to low-income families—it's a struggle for families at all income levels. While it might seem overwhelming to consider financing a system of free services for all families, this may not be what is needed. Many middle class families can be helped by policies to support the early childhood field as a whole, such as efforts to improve

Monroe County, New York

Members of the Monroe County Early Childhood Development Initiative (ECDI) have been working collaboratively for over 12 years Throughout that time the group has his focused on common approaches to financing, implementing, evaluating and monitoring early childhood services. The fifteen-member group meets eight to ten times a year and, from time to time, hosts public meetings to affirm and amend their priorities.

ECDI is not a funding or fundraising entity. It is an informal, collaborative effort aimed at maximizing the effectiveness of funds spent on early care and education services in the county. Members include, among others, representatives from the county social services department and city school district, United Way, Rochester Area Foundation, Diocese of Rochester, the Child Care Council and Head Start. A volunteer facilitator keeps the group on track and pushes them to think systemically, maintain communication and work together. EDCI members are quick to point out that thinking and working systemically has required to group to stay focused on services rather than providers. This distinction has been a key element in their approach to program evaluation and systems change.

Members of ECDI have individually and collaboratively funded many initiatives, including: child care scholarships, a county-wide early childhood program accreditation effort, early childhood practitioner training, support services for children with special needs, parent outreach and support playground construction, early literacy and family literacy, and others. ECDI was instrumental in crafting a plan that provides services funded under the state's universal prekindergarten initiative in existing full and part-day child care and Head Start settings as well as public schools.

ECDI pays careful attention to evaluation, and links funds to quality. Each year approximately 2/3 of the early childhood classrooms attended by four year olds are evaluated using the ECERS rating scale. The scores are shared with the classroom teacher (as feedback) and are also used to guide targeted mini-grants for quality improvement. Additionally, ECDI convinced the county social services department to pay a higher reimbursement rate for child care that is purchased from accredited child care centers.

The initiative has produced results. When it began in 1990 only 39% of the children entering the city schools in 1990 were able to pass the kindergarten screening test without difficulty and 33% had multiple problems. Seven years later 62% of entering children had no difficulty passing the test and only 9% had multiple problems.

For more information on ECDI, contact Jacqueline P. Cady at the Rochester Area Foundation (*jpcady@rochester.rr.com*).

professional development opportunities and wages for early childhood teachers, make no-or low-cost facilities available, improve licensing and monitoring, and so forth. Ensuring that your early childhood plan touches families at all income levels is also key to making it a community-wide priority and not just another welfare issue.

■ Long-Term Planning

Building a system of high-quality early care and education services isn't achieved overnight. It is a long-term process that will require multiple steps implemented over many years. Keeping the big picture in mind, and thinking carefully about how your small, first steps will lead to larger ones is important to success.

■ Out-of-the-Box Thinking

Building effective early childhood financing systems will require creative thinking. Remember that families have many different ways of caring for and educating their children. Counties have found that small steps – like convincing summer recreation programs to stay open during the two weeks in August when most camps have closed but school isn't yet open – can be a very important part of the puzzle.

Perhaps new partners could be engaged, like the local economic development office (which might have new ideas about how to support the many small businesses that comprise the child care industry); or a local technology or benefits management company (which might help to build a new automated system for common intake and eligibility determination); or a health care agency (which might have experience in bringing practitioners together into a shared provider network.)

Employers might not be willing or able to act on their own, but perhaps they could be drawn into a new public/private partnership. The bottom line: don't be limited by what has been done in the past. Take this opportunity to reinvent the future.

First Steps

As a county official who is new to this issue, it can be difficult to know where to begin. To help guide your thinking, a few first steps are outlined below.

■ Identify the Key Funders

The best way to begin is by finding out who are the key early care and education funders in your community and what programs or services they fund. Look through the list of funding sources included in this primer, find out if these funds are available in your county and, if they are, which entity is responsible for administering them. Use these organizations as a resource to help identify additional funding sources that may not be on the above list, such as programs that have received a federal campus-based child care grant or military child care funds, private foundation funding, and so forth. Your local child care resource and referral (CCR&R) agency[7] can also help you to identify local funders. Identifying who funds early care and education services in your county is an iterative process—one resource is likely to lead to another and, before you know it, you've built a list of resources and contact people.

Convene a meeting Once you have a list of key funders, you are ready for the next step: bringing them together. An initial meeting of this group might simply focus on "getting to know one another." These individuals may never have been in a room together, so sharing basic information on goals and grantees might be an important first step.

■ Look for Common Ground

One of the best ways to build collaborative relationships is to focus on one or two basic issues about which all participants agree. The Monroe County Early Childhood Development Initiative (see profile on page 10) has worked on collaborative approaches to financing, implementing, evaluating and monitoring early childhood services – but they began by simply setting common goals and sharing information. Several local efforts began with a specific focus on increasing early childhood program accreditation. School readiness has been a rallying cry for other county collaborations.

■ Document Resources

As you bring together key funders to get to know one another and share information, you will simultaneously be gathering information about the programs and resources that are available in your community. Working closely with your local CCR&R agency, and other key informants, you can create a picture of the early care and education services that are available in your area. The NACo early childhood development toolkit includes resources that could help guide this process.

■ Identify Gaps

Once you have identified the resources that are available in your county, the gaps in service can be identified. Don't forget that an effective early care and education system includes more than affordable direct services. Effective systems also include supports for programs and practitioners, consumer information, clear programs standards and sufficient monitoring.

■ Explore Ways to Fill Gaps

This is where planning begins to move into action. As you begin to identify needs and resources you can also begin to think about potential ways to fill those gaps. Clearly, new funds and new partners will be needed. But don't forget that positive results can also come from structuring existing resources in ways that improve effectiveness and accountability. In short, keep your eye on systems change. When the focus is on results and overall systems – rather than individual programs -- it is possible to move ahead in both good times and bad.

■ Don't Forget Parents

Learning more about what parents need and want is an important part of community planning. But parents often do not have the time to come to meetings or may be hesitant to speak out at public forums.

There are, however, many ways to reach out. The Tompkins County Early Education Partnership in upstate New York found that an excellent way to reach parents was to participate in a local "Cabin Fever" festival for parents and young children. The Partnership set up a booth at the festival to distribute information about local child care initiatives. Additionally, student interns (recruited by the Partnership) circulated among festival participants, asking them to fill out a questionnaire and/or participate in an informal discussion about their child care needs.

In summary, there is much that local elected officials can do to help build and finance a high-quality early care and education system in their county. NACo staff are available to help. We can answer questions, provide technical assistance, or send copies of our new early childhood development tool kit and other resource materials.

Join our list serve by visiting our website: *www.naco.org/Template.cfm?Section=Technical_Assistance&template=/ContentManagement/ContentDisplay.cfm&ContentID=7478*.

Call us at (202)661-8841.

Visit our website for additional information. *www.naco.org/Template.cfm?Section=Technical_Assistance&template=/TaggedPage/TaggedPageDisplay.cfm&TPLID=28&ContentID=7294&TPPID=1783*.

(Footnotes)

1 For more information on local tax levies for early care and education , see: Mitchell, Stoney and Dichter, 2001. *Financing Child Care in the United States: An Expanded Catalog of Current Strategies*. Ewing Marion Kauffman Foundation. *www.emkf.org/pdf/childcare2001.pdf*

2 As this primer went to print, reauthorization of the CCDF was pending. Thus, changes that occurred after April, 2003 are not reflected. For an up-to-date summary of changes in the law, please contact Marilina Sanz (*msanz@naco.org*).

3 This program was eliminated in the President' proposed FY2004 budget request, however, at the time this paper went to press many members of Congress were fighting to have these funds restored.

4 The Future of Children published two volumes of it's journal specifically focused on the evaluation of home visiting programs—Winter, 1993 and Spring/Summer, 1999. Both journals summarized key studies, including evaluation of six home visiting models that have been used nationally.

5 *Home Visiting: Recent Program Evaluations—Analysis and Recommendations*. The Future of Children (Spring/Summer 1999) 9,1:22-23.

6 Yoshikawa, H. *Long-term effects of early childhood programs on social outcomes and delinquency*. The Future of Children (Winter 1995) 5,3:51-75. Frede, E.C. The role of program quality in producing early childhood program benefits. The Future of Children (Winter 1995) 5,3:115-32

7 If you are not familiar with the CCR&R in your area, go to *www.naccrra.org* for more information.