



State boards can help remove barriers to cross-system coordination of early learning and K-12.

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Layering Funding for Quality ECE

Science consistently shows that the early years, starting from birth, represent a critical period during which the foundations for future development are built. Like a new building, setting either a strong or fragile foundation determines

what follows. Infants, toddlers, and preschool age children who have consistent, positive early learning experiences tend to go on to complete more years of school, have higher paying jobs, and live longer, healthier lives.¹ In recognition of

the critical nature of early education to success in school and later life, states have increased investment in public pre-K, early intervention, and child mental health. Local communities have increased their focus on early childhood as well, often with the school district as the lead of efforts to bolster the community's early childhood system.

However, current federal and state policy and investments in young children are not keeping pace with what research says about brain development and what children need to become healthy, productive adults. One of the most significant ways to address this problem is to encourage stronger alignment and coordination across the early childhood and K-12 systems. To that end, many districts are partnering with early childhood providers or are providing early childhood services themselves. A school district's entry into the early childhood field can be fraught with challenges, however, and school leaders may not understand the complexities of their state and local systems and how K-12 and early education systems differ in their design and funding structures.

In many states, districts are required to conduct community assessments and build relationships with local providers before launching any new programming. The Illinois School Boards Association, in partnership with the early education advocacy group Ounce of Prevention, developed a guide for districts to support their work with the early childhood system.² Maine, Pennsylvania, Minnesota, and Georgia have likewise developed guides to help districts partner effectively with community providers, including how best to manage the coordination of the multiple funding streams that are needed to provide a high-quality, full-day, full-year early childhood program.³

Challenges of the Early Childhood System

The early childhood field is often described as fragmented and poorly coordinated. Indeed, its boundaries are fuzzy—and that ambiguity at the perimeter ends up correlating to more uncertainty in the middle. Federal and state policies reinforce that uncertainty by failing to account for the full range of child needs. Instead, funding programs are set up for

discrete purposes that sometimes overlap and often leave gaps in coverage.

The field of early childhood clearly includes birth to five years, but there is not consensus about whether that is its full extent. In many instances, early childhood is defined as birth through age 8. Different programs, supports, and services are implemented and designed based on one of those concepts, but designs can vary across or even within states and communities.⁴

Federal and state early childhood programs reflect a distinct mix of policy priorities. Children need high-quality early learning experiences to improve their long-term educational outcomes, and low-income children experience large school readiness gains only when they have consistent access to responsive teachers and caregivers in high-quality early learning environments. Their families need child care arrangements that meet parents and caregivers' need to work, which can be particularly challenging for low-income families working full time (and often in multiple jobs).

Because no single federal, state, or local funding source adequately addresses both of these needs, some individual early care and education programs have sought to combine existing funding streams through blending and braiding funds (see box 1). For programs to deliver high-quality, comprehensive, full-workday, full-year early education, they must maximize public- and private-sector investments by using funds from two or more funding streams—such as Early Head Start, Head Start, the Child Care Development Fund (also called child care assistance, scholarship, or subsidy), state prekindergarten (pre-K), and state infant-toddler (0–3) programs.

The lack of coordination at the federal and state level creates numerous challenges. From the program perspective, there are high administrative costs to managing all the different and sometimes competing demands of the various funding sources. This level of administrative attention requires a program scale that is rare for most early childhood providers and results in local systems of uneven quality. For families, the lack of coordination fosters disparate participation requirements that may restrict hours of service and frequent, burdensome requirements

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Box 1. Blending and Braiding at the Program Level

At the local level, when funds are *blended*, funds from two or more separate funding sources are wrapped together within one full-workday, full-year program budget to pay for a unified set of program services to a group of children. In blending, costs are not necessarily allocated and tracked by individual funding source. When funds are *braided*, two or more funding sources are coordinated to support the total cost of services to individual children, but revenues are allocated and expenditures tracked by categorical funding source. In braiding, cost allocation methods are required to ensure that there is no duplicate funding of service costs and that each funding source is charged its fair share of program and administrative costs.

Source: Margie Wallen and Angela Hubbard, "Blending and Braiding Early Childhood Program Funding Streams Toolkit: Enhancing Financing for High Quality Early Learning Programs" (Chicago: The Ounce of Prevention Fund, 2013).

No one funding source can cover all the costs of meeting the programming needs of a given child and family, particularly a working family.

to prove eligibility. Both contribute to inconsistent programming for children, contravening what children need for long-term academic and social success, particularly those who live in challenging, stressful situations.

At the federal level, recent efforts to address this fragmentation include revised eligibility and provider payment rules for the Child Care and Development Block Grant, known as the Child Care and Development Fund (CCDF) at the state level.⁵ The new rules make braiding and blending funds at the local level less complicated. The rules document also includes guidance that is recommended but not required for ensuring that families with child care subsidies can access high-quality care without disruption. Recent funding from Early Head Start focused on increasing partnerships with child care programs, and this promises to foster better coordination in the early childhood system.

Despite these federal changes, challenges remain at the state and local level. In order for these changes to take hold at the local level, state and local policymakers and administrators need to change their approach to implementing early childhood systems and ensure that the providers in local communities have the capacity to respond to the changes.

The federal government and states can make it easier for programs to braid and blend funding, but they often choose not to do so. The reasons for this are multiple and often caught up in

the mistaken view that braiding and blending constitutes "double dipping"—that is, taking multiple funding for a single slot or child enrolled. Yet the way early childhood funding is structured, no one funding source can cover all the costs of meeting the programming needs of a given child and family, particularly a working family.

Successful braiding and blending requires attention at the state, community, and program level that is often absent. States that have developed implementation guides, such as Maine and Pennsylvania, provide districts and community partners with models for cost allocations and financial reporting. These guides support braiding and blending of funds when the state administration that oversees particular funding streams has approved it.

K-12 Role in the Early Childhood System

A cohesive local early childhood system and alignment at the state level between these early childhood and K-12 systems are well worth the trouble. The K-12 system can choose from a variety of approaches, or a combination of them:

- directly operate early childhood programs;
- partner with community-based providers that demonstrate quality standards to implement pre-K programming;
- offer in-kind supports, such as space, transportation, or medical services to

community-based providers that may not have ready access to them;

- seek consensus with local service providers on quality requirements that are connected to shared definitions of kindergarten readiness and learning standards;
- invite early learning providers to participate in professional development opportunities on understanding kindergarten expectations, inform elementary teachers on early learning instructional approaches, and smooth the transition from early learning to early elementary; and
- partner with Head Start and other community providers to develop transition practices guided by the district's legal responsibility in transition planning for students with special needs.⁶

All of these efforts must be initiated in such a way that community early childhood providers feel respected and included in program planning and design.

State boards of education can take a leadership role in recommending policies and guidance that support these district efforts, focused on successful implementation of state pre-K programs. They can also ensure that the pre-K system is aligned with the state's implementation of CCDF, encourage shared professional development opportunities between K-12 and the early childhood systems, and improve the continuity for families when transitioning into kindergarten and/or first grade. In addition to supporting the braiding and blending of funds at the program level, state boards can promote the inclusion of early childhood providers in professional development and kindergarten/first grade transition activities.

Pre-K Implementation. State boards should review statutes that regulate public pre-K funding and make sure they are structured in a way that will facilitate successful community collaboration and encourage districts to provide early childhood services.

- Does the funding allow grants to districts for start-up resources to ensure pre-K classrooms are equipped with developmentally appropriate furniture and materials?
- Is the district allowed to use the funding for

sub-grants or contracts with local providers to provide pre-K services?

- Is there a requirement that the pre-K funding be appropriately distributed to the programs and services for pre-K children and families and not applied to other district costs?

Many states that have public pre-K funding provide implementation guides for local school districts. Often, districts are seeking ways to meet the needs of working parents and need to be able to braid or blend pre-K funding with child care subsidies and/or Head Start funding. This approach can include partnership with community providers or be managed by the district internally. State boards should plan to review those guides and ask the following:

- Do the implementation rules support partnership with local early childhood providers?
- Are the reporting requirements flexible enough to allow for braiding or blending of funds?
- Is there an expectation that school districts participate in the local early childhood system rather than provide separate, siloed services?

Alignment with CCDF. The way the state chooses to implement CCDF—the child care subsidy program—most strongly influences the capacity for braiding and blending funds. In addition to being a subsidy for parents to access child care, CCDF in most states is the only funding for child care licensing and professional development for all early childhood providers.

Successful braiding and blending of funds at the local level is highly dependent on the state's implementation of the child care system. Some states define participation in Head Start or Early Head Start as work, for example, to eliminate the eligibility challenges for families and ensure continuity of services. States can take a similar approach in support of children living in challenging situations. States make many policy decisions within broad parameters that affect access, quality, and the supply of child care:

- definitions of parental work, education, and training;
- family income eligibility;
- processes for determining eligibility and authorizing the hours of care for payment;

Because the funding source for early childhood professional development is CCDF, state boards can review the state CCDF plan to determine the state's priorities for professional development.

- priority for categorical eligibility, such as very low-income families, children with special needs, children experiencing homelessness, children in the child welfare system, and other groups; and
- provider payment rates and payment policies.

The implementation of these decisions is described in a state's CCDF plan, akin to its plan for implementing the Every Student Succeeds Act. In California, Florida, Louisiana, Michigan, and Oregon, the state board of education is directly involved in developing the CCDF plan. There must be a set percentage of matching local/state dollars in order to access the federal funds. Plans are submitted to the federal government for review and approval every three years. There is a required public comment period, which is an opportunity for a state board to submit a letter addressing how well or poorly the plan aligns with the pre-K system. The review of the plan can focus on the following:

- Is the income eligibility process simple and uncomplicated for working families to complete?
- Do the eligibility rules truly ensure 12-month eligibility?
- Are children who are living in challenging situations categorically eligible for the subsidy?
- Do the payment policies and procedures support braiding and blending, such as paying for a slot in the program rather than by attendance hours and allowing for teacher planning time?
- Are the payment rates sufficient for the cost of quality programs?

Shared Professional Development. Districts can make a significant contribution to strengthening the local early childhood system by coordinating professional development opportunities and including community providers in these efforts. Through collaborative partnership and support for the cost of participation for community providers, district-driven professional development can build relationships that smooth transitions into the elementary years and help early education providers better understand kindergarten standards.

Creating systems of inclusive professional development can also have benefits for early elementary teachers. Understanding the instructional tools used by early education and child care programs that their students attend can give them better insight into their students' previous experiences. Building a community of professionals responsible for ushering a child through the educational continuum augments the support a child receives through transitions, community-based teachers' access to professional supports, and elementary school teachers' community of learning.

At the state level, boards of education can encourage policies that allow for cross-system professional development. Because the funding source for early childhood professional development is CCDF, state boards can review the state CCDF plan to determine the state's priorities for professional development. Often, it focuses on basic health and safety and structural components of quality in an early childhood classroom rather than on curriculum design and implementation, instructional support, and other elements of process quality. Typically, there is insufficient funding for that type of professional development.

State boards can gain information from districts as to any barriers to collaborative professional development at the local and state level and find ways to encourage the use of state ESSA funds to support collaborative approaches. States can ask the following of districts in the context of the ESSA plan and encourage the same approach in state-level professional development investments:

- Are parents and local early childhood providers included in professional development activities funded by Title I?
- Are local early childhood providers included in teacher effectiveness initiatives or devising instructional supports that address the needs of children in preschool through second grade (Title II funds)?
- Does the district engage in shared professional development activities with the local Head Start grantee, particularly focused on transitioning to kindergarten?

Transitions to Kindergarten/First Grade. All well-designed, quality early learning programs

have focused, well-implemented plans for children transitioning into and out of each program and system. School districts can be intentional about making these transitions as uncomplicated and supportive of children's development and academic growth as possible. Head Start regulations require formal agreements with school districts for transitioning children into kindergarten. The regulations reflect best practices for transitioning children and families into and out of the program and can serve as a model for state boards. State boards can hold districts similarly accountable, requiring that the ESSA plan include a clearly articulated approach to including early childhood providers in transition activities. The National Head Start Association and the Council of Chief State School Officers have developed a toolkit to help school districts meet the ESSA requirements for partnering with Head Start and other early childhood education providers.⁷

Conclusion

Current federal, state, and local policy and levels of investment in young children are not keeping pace with available information about brain development and what children need to become healthy, productive adults. The funding structures for early childhood are insufficient, and the reporting requirements can seem byzantine. As the public becomes more attuned to the importance of early childhood education, however, there is opportunity to do better. While many local communities have been working to overcome system disconnects for many years, state-level engagement now can facilitate the braiding and blending of funds that will better meet the needs of families at the local level.

One of the most significant ways to address this problem is to encourage stronger alignment and coordination across the early childhood and K-12 systems. State boards have a critical role to play in supporting, aligning, and overseeing early learning programs. By participating in public hearings and processes as states implement early childhood systems and provide professional development and by providing guidance and support for districts in defining their role in local early childhood systems, state board members can improve outcomes for children and families. Supporting policies that

make it easier for community providers and school districts to collaborate and share funding resources will also be a key activity for state board members who understand the benefits in long-term outcomes for children from strengthening services and supports across the early childhood spectrum. ■

¹Institute of Medicine, *From Neurons to Neighborhoods: The Science of Early Childhood Development* (Washington, DC: The National Academies Press, 2000), <https://doi.org/10.17226/9824>.

²Roger Eddy and Elliot Regenstein, "Early Learning User's Guide for Illinois School Boards" (Chicago: Ounce of Prevention and Illinois Association of School Boards, N.d.), <https://www.theounce.org/wp-content/uploads/2017/03/IASB-Ounce-EL-Users-Guide-full.pdf>.

³Maine's Interagency Funding Collaboration Taskforce, "Funding Collaboration Guide for Early Care and Education Partnerships in Maine" (August 2006), https://www.maine.gov/dhhs/ocfs/ec/occhs/funding_guide.pdf; Minnesota Department of Education, "Voluntary Pre-Kindergarten Implementation Guidance" (fall 2016); Pennsylvania Department of Education, Pennsylvania Pre-K Counts Statute, Regulations and Guidelines, effective July 1, 2018, http://www.pakeys.org/wp-content/uploads/2018/02/ADA_2018PKC-Regulations-and-Guidance.pdf; Georgia Department of Early Care and Learning, Georgia's Pre-K Program 2018–2019 School Year Pre-K Providers' Operating Guidelines, effective July 1, 2018, <http://decal.ga.gov/documents/attachments/Guidelines.pdf>.

⁴In its work in promoting policy coherence and workforce development throughout the early childhood system, NASBE has embraced the birth through age 8 continuum. See, e.g., Winona Hao, "Advancing the Early Learning Workforce through State Policies," *Policy Update* 23, no. 25 (Alexandria, VA: NASBE, December 2016). For the purpose of this article, the early childhood system is defined as birth to age 5. However, the concepts and recommendations within this article are all aimed at closing the gap between two systems that serve children during their early years of development.

⁵The CCDF is authorized under the Child Care and Development Block Grant Act. Enacted in 1996, the act consolidated three federal child care programs serving low-income families under the program formerly known as Aid to Families with Dependent Children. Congress reauthorized the act in 2014. This block grant is the primary funding source for child care and the professional learning systems for birth to age 5 early childhood providers.

⁶Eddy and Regenstein, "Early Learning Users Guide."

⁷National Head Start Association and Council of Chief State School Officers, "New Early Childhood Coordination Requirements in the Every Student Succeeds Act (ESSA): A Toolkit for State and Local Educational Agencies, Head Start Programs, and the Early Childhood Field" (Alexandria, VA, and Washington, DC: NHTA and CCSSO, 2017), <https://www.nhsa.org/files/resources/toolkit-new-early-childhood-coordination-requirements-in-the-essa.pdf>.

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