

Toward Better Policy for Early Care and Education in the United States

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The U.S. can no longer afford the inefficiency of making policy by funding stream for early care and education (ECE). Our children and families deserve better. Our economy will be stronger when public policy at all levels – federal, state and local – is both more efficient and more effective in delivering high-quality services to children and families.

Historically, the care and education of children before they enter school has been viewed as a personal (maternal) responsibility, with limited public support largely focused on poor families. Public policy and investment have waxed and waned over time.

- Public investment increased in the Depression to educate children and create jobs, then waned until mothers' labor was necessary for the war effort during WWII.
- The 1960s brought increased attention to the plight of children in poverty, establishing Head Start and more recently Early Head Start.
- In the 1970s, all children with disabilities gained the right to a free and appropriate education beginning with early intervention and preschool special education.
- In the 1990s, welfare reform focused child care investment in support of parental employment.
- Throughout the past several decades, a push for universal pre-kindergarten has expanded public investment in most states.

The result is many distinct public funding sources, each with a distinct and significant purpose and population, which together have created chaotic and competing demands for accountability, with differing assurances that children are doing better and families are thriving.

When our economy was growing, these tensions of purpose between child care funding as a workforce support for parents and early learning funding in support of children's school readiness were challenging but did not halt progress. Over the past several decades, small but steady increases in public funding have made it possible for states to gradually serve more children, and to build an infrastructure to support quality improvement, e.g., quality rating and improvement systems (QRIS), comprehensive professional development systems, multi-domain early learning standards. These structural advances have high potential to reach all providers of early care and education services, thus affecting all children.

The reality, however, is that public funding has never been sufficient to support direct services for more than a very small fraction of the population.¹ Families have always been the major funder of ECE in the U.S. Unfortunately, the prolonged recession is constraining public funding and threatens to further

¹ Even in a strong economy, CCDF subsidy, which can serve families up to 85% of the State Median Income, actually reached only 1 in 6 (17%) of those eligible; Head Start reached 40% of those eligible; and Early Head Start reached just 4% of those eligible.

reduce the proportion of children who participate in public funded ECE. Even more worrisome, funding cuts could erode the infrastructure investments needed to ensure that ECE services are high-quality.

In these times, it is essential to keep the focus on quality improvement, recognizing that fewer children will be served, but those who are will be better-served. Ultimately we must invest in both the infrastructure of quality improvement and access to quality services for children. Our future as a nation depends on every child entering school healthy and eager to succeed. We must eliminate the readiness gaps, usually associated with income, race, language, and ethnicity – that young children face as they enter kindergarten and that can become lifelong challenges. We must, and can, do better. Public policy focused on achieving this end will put children first, be guided by standards, share costs to improve efficiency and use data to drive quality.

Put Child Development First

Policy that focuses squarely on the needs of children will not be defined by their parent's engagement in the workforce (*Are your parents employed? How much do they earn?*) or by their age (*We can offer Pre-K only if you are four years old*) or where they live (*This free ECE program only accepts children from this county*). Children deserve access to quality learning experiences. Children need continuity – in caregivers and services – within a system built on a core set of early learning standards and performance expectations for all settings. We challenge the current, siloed approach to early care and education policy and finance, and encourage a new approach to ECE policy that establishes system-wide direction for all ECE settings, regardless of funding stream:

- States use a common administrative and monitoring process – rules, policies, procedures and forms – regardless of program auspice, type or funding stream. The common process should reflect the best interests of children and their development and learning and make it possible for an ECE services provider to deliver high-quality services to children funded by multiple sources.
- When funds for direct services are limited as they are now, public dollars should be targeted to provide high-quality services for vulnerable children and support their families in ways that promote continuity and serve all children in the same family.

Build a Standards-Based ECE System

Effective early learning is guided by what children need to know and do (early learning standards), and how practitioners and the programs that employ them effectively support early learning (practitioner core knowledge and competency standards, program performance standards). Building a standards-based system means creating, supporting, and linking public dollars to ECE programs that comply with a common set of early learning and development standards, program standards that reflect the conditions conducive to good outcomes for children, and practitioner standards that guide those who work with children and families. If these program standards are structured as a continuum, leading to nationally recognized high-quality standards, with various levels aimed at programs in all sectors, they will not only embrace all settings but illuminate pathways to best practice. The early care and education Quality Rating and Improvement Systems (QRISs) established by most states are a cornerstone of this new approach:

- All states establish a QRIS inclusive of all formal ECE settings and incorporating into its program standards both the child learning and development standards and the practitioner standards.
- States continuously improve their QRIS, guided by evidence and designed to effectively align program and practitioner standards to practices that are most likely to produce positive child outcomes. The threshold quality level for programs and for practitioners rises over time

- States require that service providers receiving public funds participate in the QRIS. The number and proportion of vulnerable children accessing high-quality programs rises over time, as resources to meet and sustain high quality levels rise.
- States set aside a portion of all ECE funding (federal, state, local) to support the infrastructure investments needed to maintain a standards-based system.
- The federal government provides leadership on best practice in QRIS, including how national Head Start standards and State pre-kindergarten policy can align with QRIS.

Share Costs to Improve Fiscal Efficiency

An ECE system based on common standards needs fiscal policy that creates a framework for using funding from multiple sources to support a single child or ECE program. It is not necessary to merge funding streams to achieve this goal; what is needed are clear and consistent policies that harmonize the rules, regulations, policies and procedures used by the entities that administer funds. Currently, each funding silo has its own rate structure, budget and fiscal reporting. CCDF is particularly challenging to service providers because public payment rates are based on the price of care in local markets rather than cost factors related to meeting high quality program standards, including supporting a better qualified, more stable and adequately compensated workforce. Cost sharing and fiscal efficiency requires a new approach:

- Federal, state and local agencies and funders articulate that shared ECE financing is a goal and establish agreements to work together to align program and fiscal requirements, including rate-setting, reporting, and accountability.
- The Federal government in addition to sustaining (and ultimately increasing) its share of funding for access to quality, encourages innovation and rewards state and local agencies that adopt simplified and integrated ECE finance policy.
- The Federal government develops program guidance on cross-sector reimbursement or rate-setting procedures, including any waivers or accounting rule changes needed.
- States model the cost of quality standards at each level of their QRIS and use the data to inform cross-system ECE policy and finance. QRIS standards include all sectors—child care, Head Start, PreK, early intervention, preschool special education.
- States explore a range of public payment policies, informed by common quality standards and cost modeling that are designed to encourage and guide the use of multiple funding streams to support services for a single child or ECE program.
- Public and private ECE funders work together to build the capacity of ECE service providers to tap multiple funding streams and attain the scale needed for efficient delivery of high-quality services.

Use Data to Drive Quality

An ECE system that uses data to drive quality needs comprehensive information on all ECE settings, regardless of auspice and funding stream, that includes program location, program and practitioner quality level, ages of children served and other key identifiers. This approach offers a detailed picture of the quality of services across neighborhoods, communities and regions of the state and can help answer key questions about gaps in service, guide policy on financing and quality improvement, target funds to high-quality programs serving vulnerable children, and address other goals. Using data to drive quality requires a new approach. The Early Childhood Data Collaborative has issued recommendations for comprehensive data systems, which we endorse. Key first steps:

- Federal ECE agencies acknowledge the need for shared data and clearly communicate this goal to all stakeholders including public and private funding partners and quality monitors, ECE service providers and others.

- Federal ECE agencies work to develop aligned and mutually agreed upon data definitions and reporting requirements that apply to all ECE settings – in community-based programs, schools and homes.
- Federal ECE agencies focus on revising reporting requirements (including any relevant laws, rules, regulations and procedures) so that each funding stream can accept and use shared data.
- States develop data collection systems capable of uniquely identifying ECE programs, practitioners and the children they serve so that collection of non-duplicated data is possible.
- All levels of government use a comprehensive, non-duplicated data set to guide ECE planning, policy, quality improvement and fund distribution.

Next Steps

The federal Race to the Top Early Learning Challenge program offers an immediate opportunity to implement the policy framework described in this memo. Moreover, there are numerous examples of state policies that reflect this framework. National leadership focused on sharing best practice and encouraging innovation can further stimulate change.

GLOSSARY OF TERMS

Early care and education (ECE) means all **formal** settings that are offering direct services to groups of children. These services may be in centers, schools and homes, and are sometimes labeled by their primary funding source: child care, Head Start, prekindergarten, early childhood special education. A formal setting is one that complies with a funding, regulatory or voluntary quality standard. For purposes of this discussion, the term ECE does not include care provided by unregulated family, friends or neighbors.

Common standards means the three essential sets of standards: for children’s learning, for practitioners’ knowledge and competence, for program performance. *Common standards* means the standards used within and across a state.

Standards-based system means the combination of five elements: 1) quality standards for programs and practitioners, 2) accountability and monitoring (to ensure compliance with standards), 3) program and practitioner supports (to encourage continuous improvement), 4) outreach and engagement (to ensure stakeholders understand and use standards to guide decision-making), and, 5) financing (linked to quality standards). These elements, when applied to all ECE sectors regardless of funding stream or auspice, create a system.

Funding streams means at a minimum the major federal sources: Early Head Start and Head Start, Child Care and Development Fund, Section 619 of part B of the Individuals with Disabilities Education Act (IDEA) and part C of IDEA, preschool funded under Title I of Elementary and Secondary Education Act (ESEA); and the state and local funds added to these sources, as well as state-funded prekindergarten.

Infrastructure means the organizational structures that support direct ECE services, which include but aren’t limited to: professional development supports, policies and funding for the workforce; technical assistance, incentives and support systems for programs; monitoring and assessment systems for measuring quality; program/practitioner licensing and other regulation; data collection and benchmarking; communication and outreach.

Vulnerable children are children with high needs such as those children whose circumstances hinder their school readiness, e.g., low family income, poorly educated parents, English language learners, racial and economic disparities, lack of access to early learning opportunities.