

the Ounce



# Inspiring Innovation: Creative State Financing Structures for Infant-Toddler Services



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# Overview of Policy Brief

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- ✓ **Key Elements: Target Population, Quality, Funding, and Design and Implementation**
- ✓ **Financing Structures: Set-Aside, Endowment, and Public-Private Partnership Fund**
- ✓ **Strategic Questions to Consider**
- ✓ **Recommendations for Establishing Financing Structures**

# Introduction

## Process:

- **ZERO TO THREE state action team meeting on state financing structures.**
- **Interviews with representatives of focal states.**

## Products:

- **Joint ZERO TO THREE/Ounce of Prevention Fund policy brief.**
- **Today's webinar.**

# Objectives of Policy Brief

- **Highlight innovative state financing structures to support services for at-risk infants and toddlers.**
- **Inspire other states to advocate for and implement new financing structures to support services for at-risk infants and toddlers.**
- **Give states a “starting place” for developing a financing structure in their own state.**

# Key Elements of State Financing Structures

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## *Target Population*

- Risk-targeted services and support.
- Birth-to-five system.

## *Quality*

- High-quality, evidence-based services.
- Strong accountability structure.
- Assistance for programs in moving toward high quality standards.

# Key Elements of State Financing Mechanisms

## *Funding*

- Sustainable support for building a system for infants and toddlers.
- Flexibility to blend funding streams to support high-quality programs.

## *Design and Implementation*

- Relationships and partnerships.
- Existing infrastructure and best practices as the foundation.
- Diverse delivery system of eligible providers.



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# Funding Sources

## *Public Funds*

- **Illinois:** state general revenue in State Board of Education.
- **Kansas:** tobacco settlement.

## *Public and Private Funds*

- **Oklahoma:** state general revenue and private funds.
- **Nebraska:** Educational Lands and Trust Fund and private funds.

## *Taxes*

- **Arizona:** tobacco tax (First Things First).
- **Louisiana:** School Readiness Tax Credits.

# Types of Financing Structures: Set-Aside

## Illinois:

- **11% funding set-aside for research-based programs for at-risk expecting parents and infants and toddlers within Early Childhood Block Grant (Birth-5).**
- **As a result of new legislation, the infant toddler set-aside will increase to at least 20% by FY2015 through a multi-year phase-in.**



Andrea Booher

## Kansas:

- **At least 30% funding set-aside for researched-based programs for at-risk infants and toddlers within Early Childhood Block Grant (Birth-5).**

# Types of Financing Structures: Set-Aside

## *Strategic Tips: Establishing a Set-Aside*

- **Link infant-toddler funding to pre-k funding. Creates a birth-to-5 system and minimizes competition. Infant-toddler funds grow as preschool funds do.**
- **Specify a floor, not a ceiling, for the set-aside to protect funding for infants and toddlers and allow for future growth.**

# Types of Financing Structures: Endowment

## Nebraska:

- **\$40 million in public funds from Educational Lands and Trust Fund and \$20 million in private funds to Nebraska Early Childhood Endowment – “Sixpence”.**
- **Earnings used to fund grants to school districts and their community partners to provide services to infants and toddlers at risk of school failure.**



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# Types of Financing Structures: Endowment

## *Strategic Tips: Establishing an Endowment*

- **Ensure public-private representation on the governing board.**
- **Use an intermediary organization for grants management.**
- **Spend only the funds that you have.**

# Types of Financing Structures: Public-Private Partnership Fund



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## Oklahoma:

- State contributes \$10 million in state education funds and the private sector contributes \$15 million to the Oklahoma Pilot Early Childhood Program.

## Nebraska:

- State contributes \$40 million from the Educational Lands and Trust Fund, matched by \$20 million in private funds, to Sixpence.

# Types of Financing Structures: Public-Private Partnership Fund

## *Strategic Tips: Establishing a Public-Private Partnership Fund*

- **Bring together a varied group of advisors to the public-private partnership fund.**
- **Protect the fund and ensure long-term sustainability with the help of state legislation or an executive order.**

## *Assessing Needs*

- **What programs currently exist?**
- **What evidence-based programs are funded?**
- **What gaps in services exist?**
- **How many infants and toddlers are in high-quality programs?**



## *Envisioning the Financing Structure*

- What is the purpose?
- What kinds of services will be supported?
- Who is the desired target population?
- Which type of financing structure?
- What is the source of funds?
- Who has the authority to establish?
- How will you make the case?
- What kind of advocacy messages?
- Who are key champions?
- Is there a link to an issue with traction?
- How visible do you want to be?
- How will you know if you have been successful?

## *Creating the Financing Structure*

- Who should administer?
- How will grants be distributed?
- Size of grants?
- Average cost per child?
- Match required?
- Eligible applicants?
- Types of services funded?
- Definition of quality?
- Staff qualifications?
- Criteria for evaluating grants?
- Technical assistance for applicants?

## *Implementing the Financing Structure*

- Professional development required?
- Technical assistance available?
- Monitoring desired outcomes?
- Evaluation?

## *Scaling Up the Financing Structure*

- Using evaluation data to make the case?
- Garnering additional funding?
- Maintaining fidelity of the model?
- Supporting an increased number of programs?

# Recommendations

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- **Ensure infant-toddler services and programs are part of a larger birth-to-five system.**
- **Fund high-quality services.**
- **Assist programs in meeting high quality standards.**

# Recommendations

- **Supplement primary funding by accessing a variety of funding sources.**
- **Push for a strong focus on program accountability.**
- **Borrow promising models and strategies from other states.**

- **Facilitator: Ann Kirwan**
- **Panelists:**
  - **Becky Veak, NE Children & Families Foundation**
    - Sixpence, the Nebraska Early Childhood Education Endowment
  - **Jim Redmon, KS Children's Cabinet & Trust Fund**
    - Kansas Early Childhood Block Grant
  - **Ramona Paul, OK Dept. of Education**
    - Oklahoma Early Childhood Pilot Program
  - **Karen Yarbrough, Ounce of Prevention Fund**
    - Illinois Early Childhood Block Grant

**Funding Mechanism: The Early Childhood Education Endowment (“Sixpence”). (FY 2009: \$1.7 million)**

**Source of Funds: Public Sixpence funds are earmarked from the Educational Lands and Trust Fund (\$40m). Private Sixpence funds are being raised from the private sector by the Nebraska Children and Families Foundation (\$20m)**

**Types of Services Funded:**

- **Quality Enhancement Grants – provide existing programs with funding to enhance the quality of services.**
- **Access Expansion Grants – provide funding to high-quality programs to expand services.**

**Types of Providers Funded: School districts and cooperatives of school districts – requirement to partner with at least one community-based organization**

# Kansas Profile

**Funding Mechanism:** Early Childhood Block Grant; at least 30% of Block Grant funding must be spent on programs for at-risk infants and toddlers. (FY 2009: \$11.1 million)

**Source of Funds:** Tobacco settlement payments and other tobacco revenues.

**Types of Services Funded:** A range of evidence-based programs such as EHS, HS, home visiting programs, high-quality child care, and early childhood mental health consultation.

**Types of Providers Funded:** School districts, HS and EHS providers, child care centers and community-based programs.

# Oklahoma Profile

**Funding Mechanism:** Public-private partnership funds are made available to the Pilot Early Childhood Program each year. (FY 2009, \$25 million)

**Source of Funds:** Public dollars are generated from state general revenue funds. Private dollars are generated by contributions from private individuals and philanthropies.

**Types of Services Funded:** Programs must meet a specified list of 25 EHS Performance Standards. Applicants may apply for Enhancement Grants or Enhancing and Expanding Grants.

**Types of Providers Funded:** EHS, HS and providers who operate a full-day, full-year, center-based program for children ages birth to 4 years.

# Illinois Profile

**Funding Mechanism:** Early Childhood Block Grant; 11% of funds must be spent on infant and toddler programs (at least 20% by 2015). (FY 2008: \$348 million)

**Source of Funds:** State general revenue.

**Types of Services Funded:** Research-based, comprehensive, and intensive prevention services including center-based services that adhere to EHS performance standards, and home-based services including Parents as Teachers, Healthy Families Illinois, and Nurse Family Partnership.

**Types of Providers Funded:** School districts and community-based organizations (e.g. EHS, HS, child care providers, family support, parenting programs).

- How did Illinois advocates lay the groundwork and make the case to create an infant toddler set-aside within the Education Dept's preschool funding stream? The set-aside will grow to 20% by 2015. How did you make the case and build support to increase the amount of funding spent on infants and toddlers?

- **Karen**



# Advocacy & Sustainability

- Nebraska passed new legislation to create Sixpence in 2005 and amended the constitution to protect it as well. Can you explain why you chose these particular policy strategies and how you successfully mobilized support for these policy changes?

- **Becky**



# Public-Private Funding and Governance

- The Oklahoma Pilot Program is funded at the state level with both state education dollars and private sector funding. Grantees are also required to fund their programs with state and local private dollars. Can you share the rationale behind OK's public-private financing model for the Pilot Program at the state and local levels?

- **Ramona**



# Public-Private Funding and Governance

- Nebraska's model is unique - it employs a public-private partnership to govern the administration of the Early Childhood Education Endowment. What is the value in having both public and private representation on the governing board? Does it present any challenges?
- **Becky**



# At Risk Focus

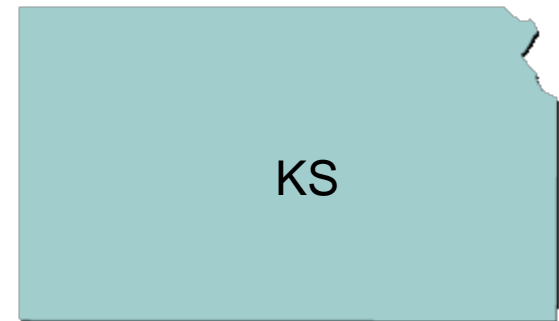
- All four of the funding structures target at-risk infants and toddlers. Why did Illinois decide to prioritize this population and how did you arrive at your definition of at-risk?
- **Karen**



# At Risk Focus

- All four of the funding structures target at-risk infants and toddlers. Why did Kansas decide to prioritize this population and how did you arrive at your definition of at-risk?

- **Jim**



# Delivery System

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- How is Illinois ensuring that the set-aside supports quality services for infants and toddlers while still allowing for a diverse delivery system of eligible providers?
- **Karen**



# Delivery System

- School districts applying for grant funds are required to partner with community-based organizations. Can you tell us a bit about why this local collaboration is an important component of Nebraska's model?
- **Becky**



# Supporting and Enhancing Quality

- How does Sixpence balance both expanding existing quality services and incenting other programs to reach higher levels of quality?
- **Becky**



# Supporting and Enhancing Quality

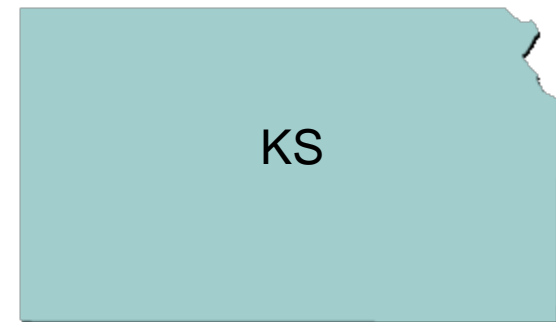
- Oklahoma ensured the pilot program funded high-quality, evidence-based services by drawing on the Head Start Performance Standards and OK's *Early Learning Guidelines for Infants and Toddlers*. Why did OK decide to use these two models as the threshold for quality? Have programs on the ground had trouble meeting these standards?
- **Ramona**



# Accountability

- How has the Children's Cabinet incorporated program accountability into its set-aside? How will these efforts to ensure accountability affect programs on the ground?

- **Jim**



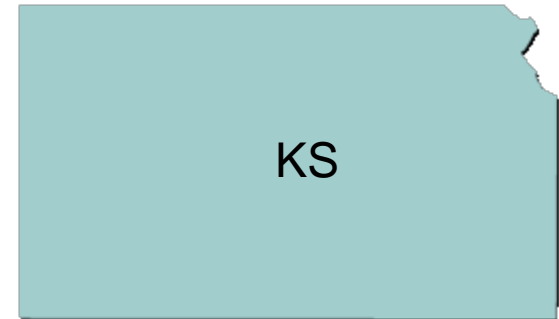
# Professional Development

- Oklahoma has taken an innovative approach to encouraging ongoing professional development among the Pilot Project's grantees. Can you explain how you've accomplished this?
- **Ramona**



# Local Match

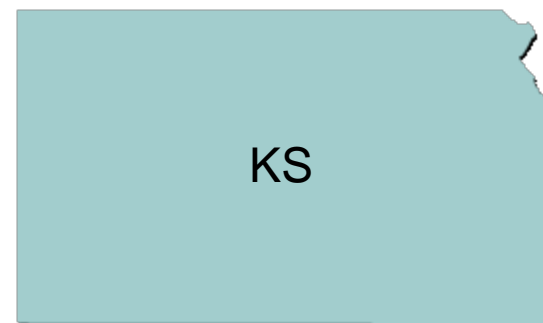
- Could you talk a little bit about why Kansas chose to require grantees to raise a 10% cash match?
  - **Jim**



# Lessons Learned for Other States

- Now that you've completed the RFP process and distributed grants once, do you have any lessons learned about implementation of the set-aside? And what have you learned from the RFP process about the demand for infant-toddler services?

- **Jim**



# Lessons Learned for Other States

- What advice do you have for other states regarding funding high-quality services for at-risk infants and toddlers?
- **Becky (NE)**
- **Karen (IL)**
- **Ramona (OK)**

# Contact Information

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