

# Inspiring Innovation:

## Creative State Financing Structures for Infant-Toddler Services



Julie Cohen and Barbara Gebhard, ZERO TO THREE  
Ann Kirwan and Brandy Jones Lawrence, Ounce of Prevention Fund

We are living in a time of great change and opportunity, in which it is possible to envision our nation fully supporting the healthy development of the very youngest children and laying the foundation for a new future for all of us. State governments play an important role in achieving this vision and ensuring that all young children have access to high-quality and affordable early care and education, physical and mental health, and family support services. Programs and services that address these areas are essential, yet they are only as strong as the infrastructure that supports them. An effective system of care and services for infants and toddlers requires solid funding structures that combine federal and state dollars with private funding sources. Although the federal government invests in young children, it cannot do so alone. States can and should be investing in infants and toddlers as they work to build their birth-to-five systems. The four states highlighted in this policy brief exemplify such models of state investment.

### Recommendations at a Glance

- 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.
- 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.



**Illinois, Kansas, Nebraska, and Oklahoma have developed innovative financing structures to support services for at-risk infants and toddlers that provide lessons for other states.**

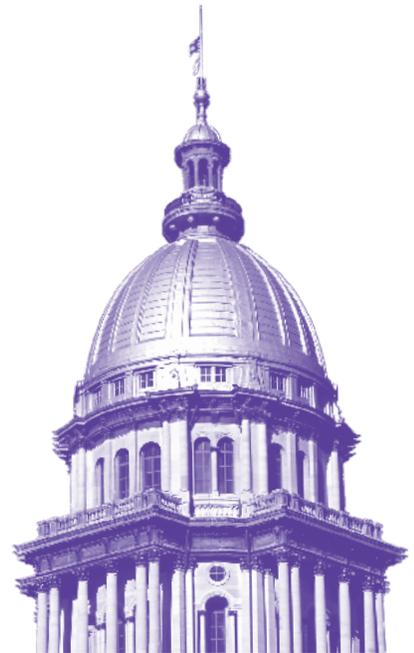
We know that early experiences are critically important, and public policy plays a key role in ensuring that infants and toddlers get the best possible start in life. The expansion of preschool programs is a significant step toward helping all children enter school ready to succeed. However, it is just one step. For at-risk children, the achievement gap often emerges long before they reach the preschool door, as early as 18 months of age. Yet we know that high-quality, research-based programs that begin early can improve the odds of positive outcomes for very young children, especially the most vulnerable.<sup>1</sup>

Illinois, Kansas, Nebraska, and Oklahoma have developed innovative financing structures to support services for at-risk infants and toddlers that provide lessons for other states. These four states are committed to making a significant investment in providing the highest quality of services for infants and toddlers. They have been creative, persistent, and collaborative in developing unique financing policies to help address the developmental needs of the most vulnerable infants and toddlers. They have demonstrated how committed individuals, in concert with supportive governors, legislators, advocates, and other policy leaders, can work together to provide the level of support required to bring about change. The work of these four states illustrates how timing can make or break the success of a financing structure. Their experiences reveal how creative thinking, political sophistication, and wise public-private investments can increase the availability of high-quality services and programs for at-risk young children. Ultimately, these four states serve as an example for others in how innovation can lead to systemic change for infants, toddlers, and their families.

Drawing on both the shared and unique experiences of Illinois, Kansas, Nebraska, and Oklahoma, this policy brief is designed to inspire other states to advocate for, develop, and implement new financing structures to support services for at-risk infants and toddlers. It provides an overview of the key policy elements that cut across all four states, as well as strategic decisions, lessons, and recommendations critical to the establishment of particular financing structures that support high-quality programs for infants and toddlers.

## Key Elements of State Financing Structures

Illinois (Illinois Early Childhood Block Grant), Kansas (Kansas Early Childhood Block Grant), Nebraska (Nebraska Early Childhood Education Endowment—“Sixpence”), and Oklahoma (Oklahoma Pilot Early Childhood Program) each designed financing structures for at-risk infants and toddlers that share common elements related to target population, quality, funding, and design and implementation. All four states also allow variation in how services are delivered and funded. In these states, services for infants and toddlers are delivered through a mix of program delivery models, offered in a variety of settings, and supported by multiple funding streams. Funded program models range from formal center-based models, to home-based models, to comprehensive service models such as Early Head Start. Programs are delivered in nonprofit and for-profit child care centers and family child care homes, public and private schools, Head Start and Early Head Start programs, home visiting programs, and family, friend, and neighbor care. Funding streams that support services for infants and toddlers include state general revenue, state education funding, tobacco settlement funds, the Child Care and Development Fund (CCDF), Early Head Start, Part C Early Intervention, Maternal and Child Health, Medicaid, the Children’s Health Insurance Program (CHIP), and Title I.



## Spotlight on Illinois: Quality Enhancements

The Illinois State Board of Education’s (ISBE) Early Childhood Block Grant was created in 1997 and funds a variety of services for very young children (ages birth to 5 years) and their families. A portion of the Block Grant supports a set-aside for programs for infants and toddlers. Through statute, not less than 11% of the total Early Childhood Block Grant funds are set aside to support programs for at-risk infants and toddlers and their families. Because of legislation passed in 2009, Illinois’ infant-toddler set-aside will increase to not less than 20% by FY 2015 through a multi-year phase-in. Services are delivered in a range of settings: child care centers, child care homes, schools, and community agencies.

Twenty percent of all funding increases for the infant-toddler set-aside are to be used for “quality enhancements,” including training, technical assistance, scholarships for infant-toddler teachers, and mental health consultation to infant-toddler programs that receive Block Grant funding. The Infant and

Early Childhood Mental Health Consultation Project is one example of a quality enhancement program. The goal of the Infant and Early Childhood Mental Health Consultation Project is to support and strengthen the capacity of infant, toddler, and preschool programs funded by the Block Grant to address the mental health needs of young children and their families. The project works directly with the individuals who serve very young children—directors, principals, teachers, home visitors, teaching assistants, and parent educators. The consultation model is informed by infant and early childhood mental health theory and practice and uses an individualized, relationship-based, reflective approach.

The Irving Harris Foundation and early childhood advocates approached ISBE about launching the project. The Foundation agreed to provide partial funding for this work for 2 years if ISBE would match the grant and, over time, assume full responsibility for the costs of the project.

Although strategies behind these financing structures differ from state to state, common elements that have contributed to their success and can be replicated in other states include:

## 1. Target Population

- **Risk-targeted services and supports.** Each state sought to ensure that funds were directed to services for at-risk children and their families. In addition to risk factors related to the child and family, such as children at risk for developmental delay and parents without a high school education, Kansas defined at-risk to include families residing in communities with limited quality child care, health facilities, parks, and other resources.
- **Birth-to-five system.** All four states recognized the importance of building a birth-to-five system. They saw an opportunity to expand quality early learning experiences for infants and toddlers by linking birth-to-three and three-to-five services and supports. In Illinois and Kansas, this took the form of an infant-toddler funding set-aside within the Early Childhood Block Grant, which ensured that any new investments in preschool would automatically include investments in high-quality programs for at-risk infants and toddlers.



## Spotlight on Kansas: Program Accountability

To ensure a continuous quality improvement process and to help promote buy-in, Kansas has made program accountability a significant component of the Kansas Early Childhood Block Grant. The Kansas Children's Cabinet and Trust Fund provides annual recommendations to the governor and the state legislature regarding use of the Children's Initiative Fund, which supports the Early Childhood Block Grant. Specifically, state statute requires the Cabinet to "review, assess and evaluate all uses of the monies in the Children's Initiative Fund" as a standard part of the recommendation process.

The Cabinet is working with the Institute for Educational Research and Public Service at the University of Kansas to create and implement an accountability framework for the Children's Initiative Fund. The framework was created to both monitor program activities and track effectiveness. The framework aligns with the national system of accountability

developed by the United States Office of Management and Budget. The federal system is based on ratings from the Program Assessment and Rating Tool, which includes the areas of Program Results, Program Purpose and Design, Strategic Planning, and Program Management. Programs must provide data in each of these areas. Three of these areas are reflected in the Children's Initiative Fund framework.

The Children's Initiative Fund accountability system also includes a unique component: Alignment With Priorities. Because the Cabinet is a political entity, it is responsible for providing recommendations that take into account the performance of the funded programs, as well as information about the funding priorities of the legislature and the Governor. The "Priorities Element" was created to provide objective data on each program's alignment with current political priorities.

**Ongoing program evaluations have been key for documenting outcomes—ensuring accountability and helping to promote buy-in for their funding structures.**



## 2. Quality

- **High-quality, evidence-based services.** All four states insisted on funding high-quality programs and services. Programs approved for funding were required to implement evidence-based curricula and models that had proven outcomes with measurable gains for young children, helping to build public and political interest and support. To ensure high-quality, evidence-based services, the Oklahoma Pilot Early Childhood Program required that all programs meet a specified list of 25 requirements, which were taken from the Head Start Program Performance Standards. In addition, all programs must utilize Oklahoma's *Early Learning Guidelines for Infants and Toddlers*.
- **Strong accountability structure.** All four states built in accountability mechanisms from the start. Ongoing program evaluations have been key for documenting outcomes—ensuring accountability and helping to promote buy-in for their funding structures. The state of Kansas partnered with the University of Kansas to assess all programs being funded by the Children's Initiative Fund, including the Early Childhood Block Grant. Areas assessed included program results, evidence-based practices, and quality evaluation. Programs were rated on an evidence-based continuum ranging from "emerging practices and programs" to "well-supported programs and practices."
- **Assistance for programs in moving toward high-quality standards.** States recognized early on that to be successful they need to both set high-quality standards for programs and support programs that aspire to high-quality status with technical assistance, professional development opportunities, and program funding. Nebraska made the decision to create a dual grant program within Sixpence—one for programs that have already reached high standards and another for programs that need support to develop and implement a plan to improve quality.



**The Block Grant was created as a unique birth-to-five funding stream that pulled together the existing education-funded programs—infant, toddler, and preschool.**

### 3. Funding

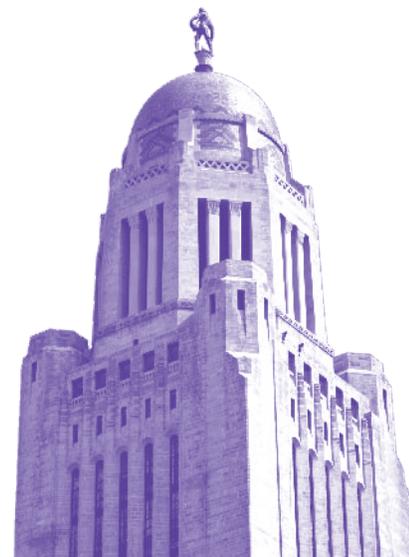
- **Sustainable support for building a system for infants and toddlers.** In all four states, funding structures were designed to ensure a stable, continuous funding source. Nebraska's Sixpence provided an ongoing protected revenue source by dedicating the earnings from an investment fund to programs serving infants and toddlers. Sixpence generates earnings each year and is not subject to annual appropriations or state fiscal fluctuations (other than market fluctuations).
- **Flexibility to blend funding streams that support a range of high-quality programs.** All four states implemented funding structures designed to be flexible enough to blend with other state and federal funding streams, provide a high level of funding for serving at-risk children, and achieve intended outcomes. Funding was also flexible enough to support a range of services (e.g., home visiting, center-based child care, family support services) in a variety of settings. Oklahoma used additional funding to help support and enhance the high-quality programs that are part of the Pilot Early Childhood Program, including Early Head Start, child care, Medicaid, and CHIP.

### 4. Design and Implementation

- **Relationships and partnerships.** In all four states, relationships among a diverse group of stakeholders (advocates, policymakers, business leaders, the media, and program administrators) were essential to successfully advocating for, designing, and implementing new funding structures for infants and toddlers. Partnerships at the local level have had a significant impact on implementation, particularly

those between public school districts, community-based organizations, Head Start/Early Head Start, child care, and home visiting programs. In Nebraska, school districts and cooperatives of school districts were required to partner with at least one community-based organization.

- **Existing infrastructure and best practices as the foundation.** All four states built on existing infrastructure and best practices. Prior to the creation of the Early Childhood Block Grant, the Illinois State Board of Education funded a pre-K program for at-risk 3- and 4-year-olds, as well as Parent Training and Prevention Initiative programs for children ages birth to 3 years. The Block Grant was created as a unique birth-to-five funding stream that pulled together the existing education-funded programs—infant, toddler, and preschool. Advocates also were successful in creating an infant-toddler set-aside within the Block Grant to ensure that a portion of education funds would continue to be invested in at-risk infants and toddlers.
- **Diverse delivery system of eligible providers.** States ensured that a range of entities could access funding. Illinois allowed a broad range of eligible providers to apply for Early Childhood Block Grant funding to provide evidence-based programming to at-risk young children and families, including school districts, Head Start and Early Head Start providers, for-profit and nonprofit child care centers, and community-based programs.



## Spotlight on Nebraska: Constitutional Amendment

Nebraska's Early Childhood Education Endowment ("Sixpence") provides a stable, protected revenue source for quality early childhood programs serving at-risk children ages birth to 3 years. Sixpence is a public-private partnership, including \$40 million in state funding and an additional \$20 million in private sector dollars. Sixpence generates earnings each year and is not subject to annual appropriations or state fiscal fluctuations.

With the help of a constitutional amendment, Nebraska has been able to provide additional protection for Sixpence. The constitutional amendment was created to:

- Redefine the definition of the "common school" to include early childhood education, beginning as early as birth;
- Establish an early childhood education endowment fund of \$60 million; and
- Allow public endowment funds to be accessed from the Educational Lands and Trust Fund and for the interest of the endowment to be appropriated for early childhood programs that serve at-risk infants, toddlers, and their families.

Including early childhood education in the definition of the common school makes a clear statement, signaling that early education is an allowable and appropriate use of public education funds. Annual interest from the \$60 million endowment is now used to make grants to schools and community-based organizations to establish early childhood education programs for infants and toddlers.

The constitutional amendment protects the endowment statute and funding and keeps it from becoming a budget line item that the state legislature can raid at any time. The endowment's status as a public-private partnership provides an added layer of security and accountability. By embedding this financing structure in the Nebraska state constitution, policymakers have ensured that Nebraska's investment in infants and toddlers who are at risk for school failure will be sustained.

## A Variety of Possible Funding Sources

States have tapped a variety of funding sources and developed new financing structures to ensure quality services for infants, toddlers, and their families. For example, the Illinois and Kansas Early Childhood Block Grants rely solely on public funds. Illinois utilizes state general revenue funds administered by the State Board of Education, and Kansas uses tobacco settlement dollars administered by the Children's Cabinet and Trust Fund. In contrast, the Oklahoma Pilot Early Childhood Program and Nebraska's Sixpence rely on a combination of public and private funds. Oklahoma uses state general revenue and private funds, and Nebraska utilizes funds from the Educational Lands and Trust Fund along with private-sector dollars. Grantees in Kansas, Nebraska, and Oklahoma are required to match their grants.

It is worth noting that Arizona and Louisiana also have been creative in accessing tax revenues to support early childhood services. In 2006, voters in Arizona passed a statewide ballot initiative to approve an 80-cent tax on tobacco products to



### Spotlight on Oklahoma: Concentrated Professional Development

When the state of Oklahoma issued the first Request for Proposals (RFP) for the Oklahoma Pilot Early Childhood Program in 2006, it included a requirement for ongoing professional development for grantees to ensure the highest quality programs for at-risk young children in the state. The state has partnered with WestEd, Excellence for Children, and the Community Action Project of Tulsa County, Inc. (CAPTC) to provide a range of concentrated training opportunities focused on the unique needs of infants, toddlers, and their families. The content of the training is continually adjusted to respond to the needs of the grantees. Providers also receive technical assistance on a broad range of topics, including teacher-child interactions, responsive relationship-based care, and NAEYC accreditation. Technical assistance is provided by Excellence for Children technical assistance specialists and by WestEd infant-toddler specialists.

The pilot program provides a variety of professional development opportunities. All lead teachers in pilot programs are required to complete 48 hours of infant-toddler care training using the Program for Infant/Toddler Care (PITC), Modules I-IV: Social-Emotional Development; Group Care and Environments; Learning and Development;

and Culture, Families, and Providers. Continuation training is provided to grantee teachers and staff and is designed for teachers who have already completed all four modules of PITC training. Managers, supervisors, executive directors, site directors, and other supervisory staff receive leadership training. At the request of several grantees, family support training is offered by CAPTC and staff from Family & Children's Services, CAPTC's partner agency for the delivery of supportive services to families. Assessment training is provided to grantee teachers and staff using The Creative Curriculum for Infants, Toddlers & Two's web-based application.

Oklahoma's strong focus on professional development has raised awareness across the state about the importance of providing technical assistance and training opportunities for early childhood providers. As nongrantee providers have learned more about PITC, they have been inquiring about how to access trainings. When trainings are provided to grantees and extra slots are available, nongrantee providers may be invited to participate.

support early childhood investments. An average \$168 million per year is now available to support a comprehensive statewide early childhood system, including regulated center- and home-based child care programs, mental health consultation in early childhood settings, and a variety of family support and literacy programs that benefit infants, toddlers, and preschoolers. In 2007, Louisiana passed the School Readiness Tax Credits, a package of four tax credits (for child care providers, parents, businesses, and child care professionals) that support Quality Start, the voluntary quality rating system designed to improve the quality of child care in Louisiana.



## Innovative Financing Structures

States have designed and implemented a range of financing structures to support quality services and supports for infants, toddlers, and their families. Three structures stand out in particular: a set-aside, an endowment, and a public-private partnership fund. These financing structures have already proven successful and are examples of how creativity, hard work, and political savvy can lead to greater investment in at-risk infants and toddlers.

### 1. Set-Aside

Both Illinois and Kansas fund services for infants and toddlers through a set-aside from a larger birth-to-five funding stream. In Illinois, at least 11% of Early Childhood Block Grant funds must be spent on research-based services for at-risk expectant parents and families with children ages birth to 3 years. As a result of new legislation, the infant-toddler set-aside will increase to at least 20% by fiscal year (FY) 2015 through a multi-year phase-in. At least 30% of the Kansas Early Childhood Block Grant funds are set aside for programs for at-risk infants and toddlers.

Kansas and Illinois offer two strategic tips for states interested in establishing a set-aside.

#### Strategic Tips

- **Link infant-toddler funding to pre-K funding.** States should consider linking infant-toddler funding to pre-K funding in order to create a birth-to-five system. This link helps to unite the early childhood community, minimizes competition, and enables infant-toddler funding to grow as preschool funds grow.

- **Specify a floor, not a ceiling, for the set-aside.** To both protect funding for infants and toddlers and allow for future growth, states should include the minimum percentage of the set-aside in a budget bill and/or in authorizing language. Adding “at least” or “no less than” to the language provides states with the flexibility to designate a larger percentage of funds to infants and toddlers in a given year without having to modify legislation. This percentage can be updated regularly to reflect actual expenditures and to protect against changes in political support for the structure.



## 2. Endowment

The Nebraska Early Childhood Education Endowment (“Sixpence”) consists of \$40 million in public funds from the Educational Lands and Trust Fund and \$20 million in funds from the private sector. An endowment is a financial fund (e.g., cash, investments) that consists of principal and income generated by the principal (e.g., interest, dividends). An endowment is typically designed to provide an ongoing source of funding to a specific program or institution by contributing a percentage of the annual income to the program’s operating budget while maintaining the principal itself for future income generation. As a result, an endowment can provide a more stable funding source than state general revenue, which is subject to the annual appropriations process. The earnings from Nebraska’s endowment are used to fund grants to school districts and their community partners to provide services to infants and toddlers at risk for school failure.

Nebraska offers three strategic tips for states interested in establishing an endowment.

### Strategic Tips

- **Ensure public-private representation on the governing board.** There is value to having public-private representation on the governing board: each sector brings a different perspective.
- **Use an intermediary organization for grants management.** States should consider having the management and implementation of the grants facilitated through an intermediary or neutral agency. Working through an intermediary can be more efficient than working inside state government, and an intermediary may be a more appropriate vehicle for a public-private partnership.

- **Spend only the funds that you have.** Because earnings from an endowment are based on the market, fluctuations in the market should be kept in mind as plans are made from year to year. It is key to spend only the funds that are available, not what market history suggests may be available. This can be accomplished by allowing funds to accumulate for a year before any grants are awarded.

### 3. Public-Private Partnership Fund

Both Nebraska and Oklahoma have established public-private partnership funds to finance high-quality infant-toddler programs. These partnerships are innovative because the use of private dollars encourages state action and leverages public investment. Private dollars are not intended to supplant public support but rather to build upon it. Currently, the state of Oklahoma contributes \$10 million in state education funds and the private sector contributes \$15 million to the Oklahoma Pilot Early Childhood Program. The state of Nebraska contributes \$40 million from the Educational Lands and Trust Fund, matched by \$20 million in private funds, to Sixpence.

Nebraska and Oklahoma offer two strategic tips for states interested in establishing a public-private partnership fund.

#### Strategic Tips

- **Bring together a varied group of advisors to the public-private partnership fund.** Policymakers and advocates should identify a diverse group of advisors for the public-private partnership fund from the public, private, early childhood, and philanthropic arenas who bring a range of resources and unique perspectives to enhance the partnership.
- **Protect the partnership fund and ensure long-term sustainability with the help of state legislation or an executive order.** Protecting the sustainability of a public-private partnership fund is critical. States should consider formalizing the partnership with state legislation or an executive order.



# Strategic Questions to Consider

**As states begin to think about how to establish a financing structure for at-risk infants and toddlers, there are a variety of strategic questions and decision points they should consider along the way.**

## Assessing Needs

- What are the existing programs for at-risk infants and toddlers in your state? Which state agency administers each program? What sources of funding support the programs?
- What evidence-based or high-quality programs are currently funded in your state? What are the current per child funding levels for these programs?
- Are programs required to implement evidence-based models? If so, which ones?
- What gaps in services currently exist?
- How many infants and toddlers are in high-quality programs?

## Envisioning the Financing Structure

- What do you hope the financing structure will accomplish?
- How will you determine what kinds of services are supported by the financing structure?
- How will you prioritize needs?
- What is the desired target population?
- What kind of funding structure will be utilized?
- What are the pros and cons of a spendable funding structure versus an endowment?
- What is the source of funds for the funding structure?
- Who has the authority to establish the funding structure?
- How will you make the case for why the funding structure is needed?
- What kinds of advocacy messages will you use?
- Who will be your key champions? Who is likely to oppose the financing structure?
- What issues have traction in your state? How can you link the funding structure to issues that already have traction?
- How visible do you want to be?
- How will you know if you have been successful?

## Creating the Financing Structure

- Who should administer the funding structure?
- How should the funds be distributed?
- What is the ideal size for grants?
- What is the average cost per child?
- Should a match be required?
- Who is eligible to apply?
- What types of program models, services, and settings will be funded?
- How will you define high quality (e.g., evidence-based program models, standards, other)?
- How can services be structured to strengthen both access and quality?
- What staff qualifications will be required?
- What are the criteria for evaluating the grants?
- What kind of technical assistance will be made available to the applicants?

## Implementing the Financing Structure

- What kind of professional development and training will be required?
- What kind of technical assistance will be made available to funded programs?
- How is your state going to monitor the desired outcomes of the funding structure?
- What kind of evaluation effort will be put in place?

## Scaling Up the Financing Structure

- How can you use evaluation data to make the case for scaling up?
- How can you garner additional funding for the funding structure?
- How can the fidelity of the model be maintained?
- Can your current system/infrastructure support an increased number of programs?

## Recommendations for Establishing Financing Structures

From the experiences and successes of Illinois, Kansas, Nebraska, and Oklahoma, several recommendations emerge that provide state policymakers, program administrators, and advocates with helpful guidance as they work to design and implement creative financing structures for young children.

- **Ensure infant-toddler services and programs are part of a larger birth-to-five system.** During the design, planning, and implementation stages, it is critical for states to think about a system that starts at birth and operates throughout the preschool years. In addition to enhancing effectiveness, a birth-to-five system creates less competition among allied interests and helps to unify the advocacy community. States should consider linking infant-toddler funding to a preschool funding stream.
- **Fund high-quality services.** In order to ensure high-quality services and programs, states must be intentional and planful. It is helpful to build on the early childhood infrastructure and services that may already exist in a state. Financing structures should fund only those programs that use evidence-based curricula and models that have proven positive outcomes for young children and their families. In an effort to continuously improve quality, states should set aside funding for quality enhancement efforts such as professional development and mental health consultation.
- **Assist programs in meeting high-quality standards.** Adhering to high-quality standards when designing and implementing services for infants and toddlers is critical; however, programs may need assistance as they work to meet these standards. Programs must be able to access training and technical assistance opportunities and funding to help them offer high-quality programs. When training and professional development opportunities for grantees are made available to other providers in the community, improving quality in one program can lead to quality improvements in other programs and have broader impact.
- **Supplement primary funding by accessing a variety of funding sources.** Given the cost of providing high-quality programs for infants and toddlers, states should consider supplementing their primary financing structure with other funding sources. States can utilize a variety of revenue sources, such as state general revenue, state education funding, tobacco settlement funds, child care, Head Start and Early Head Start, Part C Early Intervention, child abuse prevention, Temporary Assistance for Needy Families, Maternal and Child Health, and Title I. It is important to understand the requirements and constraints of various funding streams in order to maximize their use to support early childhood efforts.

- **Push for a strong focus on program accountability.** By focusing on program accountability and on whether the dollars that are being spent are actually producing positive outcomes, leaders can help promote public support and buy-in. Designing and implementing a data collection and evaluation system should be a priority early in the process. Policymakers are eager to learn whether programs are effective and whether the dedicated funds can be linked to improved child development and a lessening of the achievement gap by the time children reach school.



- **Borrow promising models and strategies from other states.** There is much to be learned from innovative early childhood policies in other states. States that are interested in creating and implementing a financing structure should look at the work of other states and borrow promising models and strategies in order to tap expertise and experience and avoid reinventing the wheel.

## Conclusion

Across the country, policymakers are paying more attention to the unique needs of infants, toddlers, and their families and increasing public investment in early childhood development programs. Despite challenging economic realities, states are investing in high-quality services for at-risk infants and toddlers through innovative financing structures. States are working to create public policy that is sustainable over time, even through changes in political leadership, during economic downturns, and with constantly changing priorities.

Illinois, Kansas, Nebraska, and Oklahoma have made impressive strides and share the common goal of investing in at-risk infants and toddlers and ensuring that the services being provided are of the highest quality. They developed financing structures that would have statewide traction and seized opportunities to move them forward. They recognized the strategic need to bring dedicated, connected, and politically powerful champions to the table—legislators and governors, business and philanthropic leaders, agency administrators, early childhood providers across a range of disciplines, advocates, parents, and the general public. They worked hard to build leadership and support not only for the funding structure but also for investing in high-quality early learning beginning at birth. Although some of these states are still in the early stages of the implementation process, they are important examples of how commitment, creativity, and political sophistication can lead to greater opportunity for at-risk infants, toddlers, and their families to access high-quality learning opportunities.

## Acknowledgments

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## Endnotes

1 National Research Council and Institute of Medicine, *From Neurons to Neighborhoods: The Science of Early Childhood Development*. Jack Shonkoff and Deborah A. Phillips, eds. Washington, DC: National Academy Press, 2000.

2. The Oklahoma Pilot Early Childhood Program was also profiled by ZERO TO THREE and the Center for Law and Social Policy as an innovative state initiative that builds on Early Head Start. For more information, please see [www.zerotothree.org/stateEHS](http://www.zerotothree.org/stateEHS)

## Illinois Early Childhood Block Grant

<p><b>Purpose</b></p>	<p>To provide early, continuous, intensive, and comprehensive evidence-based child development and family support services to help families prepare their young children under 5 years of age for later school success.</p>
<p><b>Target Population</b></p>	<p>The target population is families with young children under age 5 years who have been determined to be at risk for school failure. <i>At-risk</i> is indicated by:</p> <ul style="list-style-type: none"> <li>▪ High levels of poverty;</li> <li>▪ Illiteracy;</li> <li>▪ Unemployment; and</li> <li>▪ Limited-English proficiency or other indicators determined at the local level.</li> </ul>
<p><b>Funding Mechanism</b></p>	<p>The Early Childhood Block Grant was created in 1997 by combining three preexisting funding streams that supported programs for infants, toddlers, and preschoolers. The Block Grant has a mandatory funding set-aside for infant and toddler programs, requiring increases in infant and toddler services as preschool funding grows. The infant-toddler set-aside is currently no less than 11% and will increase to no less than 20% by FY 2015 through a multi-year phase-in. The Block Grant provides research-based prevention services for at-risk expecting parents and families with children ages birth to 3 years and Preschool for All for 3- and 4-year-olds.</p>
<p><b>Source of Funds</b></p>	<p>The Early Childhood Block Grant received \$380 million in FY 2009, funded entirely with state general revenue dollars. Of this funding, \$338 million supports Preschool for All and \$42 million is set aside for infant-toddler programs.</p>
<p><b>Distribution of Funds</b></p>	<p>The Block Grant is administered by the Illinois State Board of Education through a competitive RFP process that is open to school districts and community-based programs.</p>
<p><b>Types of Services Funded</b></p>	<p>With funding from the infant-toddler set-aside, programs are required to implement research-based, comprehensive, and intensive prevention services, including center-based services that adhere to Early Head Start Performance Standards, Healthy Families Illinois, Parents as Teachers, and Baby TALK.</p> <p>Preschool for All provides preschool services for 3- and 4-year-olds, prioritizing at-risk children first. This is a 2-year, part-day program that includes training, technical assistance, and mental health consultation for teachers, efforts to expand the supply of certified teachers, monitoring and accountability, and a statewide program evaluation. Grantees must:</p> <ul style="list-style-type: none"> <li>▪ Screen to determine at-risk status;</li> <li>▪ Ensure an educational program that implements a comprehensive curriculum, assesses children, provides a language development program, maintains a teacher-child ratio of 1:10, supports the transition to kindergarten, and involves parents; and</li> <li>▪ Require staff to hold appropriate qualifications and provide professional development.</li> </ul>

<p><b>Program Staffing Requirements</b></p>	<p>Program staff requirements for birth-to-three services funded by the Early Childhood Block Grant are consistent with those that are required by the following approved program models:</p> <ul style="list-style-type: none"> <li>▪ Healthy Families America (HFA)</li> <li>▪ Parents as Teachers (PAT)</li> <li>▪ Early Head Start Standards for Center-Based Care and Education (EHS)</li> <li>▪ Baby TALK (hybrid model of home-based and community settings)</li> </ul> <p>All personnel must be appropriately qualified, including but not limited to, program administrators, early childhood teachers, counselors, psychiatrists, psychologists, and social workers.</p> <p>Program requirements are:</p> <p><u>Healthy Families America:</u> High school diploma. Training includes 4-day Core Training (provided by the Ounce of Prevention Fund) and ongoing in-service trainings.</p> <p><u>Parents as Teachers:</u> Initial training is the 5-day (33 hours) Born To Learn Prenatal–Three Years Institute. Follow-up training (6 hours) occurs 3 to 6 months after the initial training. A Parent Educator is certified upon successfully completing the Institute. To maintain certification, annual in-service hours are required, and annual certification is required to use the PAT model and curriculum materials.</p> <p><u>Early Head Start:</u> Parent support staff: minimum of a Level 1 credential on Illinois’ career lattice (45 hours training). Child care classroom staff: at least an Associate’s degree.</p>
<p><b>Size of Grants</b></p>	<p>In FY 2008, \$348 million was allocated for the Early Childhood Block Grant. 151 grants were awarded through the infant-toddler set-aside, and 981 grants were awarded through Preschool for All. The average award per child for preschool was \$3,000. The average grant size for the infant-toddler set-aside was \$164,000.</p>
<p><b>Types of Providers Funded</b></p>	<p>School districts and a broad range of community-based organizations (e.g., Early Head Start and Head Start, child care providers, family support, parenting programs).</p>

## Kansas Early Childhood Block Grant

<p><b>Purpose</b></p>	<p>To support high-quality, evidence-based child development services for at-risk infants, toddlers, and their families, and to expand and enhance preschool opportunities for 3- and 4-year-olds.</p>
<p><b>Target Population</b></p>	<p>At-risk infants, toddlers, preschoolers, and their families. <i>At-risk</i> is defined as:</p> <ul style="list-style-type: none"> <li>▪ Children whose family income would qualify them to participate in the federal free/reduced lunch program;</li> <li>▪ Children at risk of developmental delay;</li> <li>▪ Single-parent families;</li> <li>▪ Parents who have less than a high school education;</li> <li>▪ Families whose primary language is not English;</li> <li>▪ Children without access to a consistent source of health care;</li> <li>▪ Teen parents; and</li> <li>▪ Families residing in communities with limited resources such as quality child care, health facilities, and parks.</li> </ul>
<p><b>Funding Mechanism</b></p>	<p>The Early Childhood Block Grant receives \$11.1 million in dedicated funding from the Children’s Initiative Fund. At least 30% of the Block Grant funding must be spent on programs for at-risk infants and toddlers. Grantees are required to raise a 10% cash match.</p>
<p><b>Source of Funds</b></p>	<p>New tobacco settlement payments and other tobacco revenues are assigned to the Children’s Initiative Fund that supports the Early Childhood Block Grant as well as other initiatives.</p>
<p><b>Distribution of Funds</b></p>	<p>The Early Childhood Block Grant is administered by the Kansas Children’s Cabinet and Trust Fund through a competitive RFP process with funds made available through grants to local communities.</p>
<p><b>Types of Services Funded</b></p>	<p>Applicants can apply for grants to create new services, expand current high-quality services, or enhance existing services. The Block Grant requires programs to:</p> <ul style="list-style-type: none"> <li>▪ Serve at-risk children ages birth to 5 years;</li> <li>▪ Implement evidence-informed or evidence-based program(s);</li> <li>▪ Offer center-based, home-based, or a combination of services; and</li> <li>▪ Partner with other local and state programs to enhance community capacity.</li> </ul> <p>In FY 2009, a range of evidence-based programs was funded, including but not limited to Early Head Start, Head Start, high-quality child care, home visiting programs, preschool, and early childhood mental health consultation.</p>

<p><b>Program Staffing Requirements</b></p>	<p>Applicants must provide position descriptions that clearly describe the qualifications and any specialized skills and duties for each position necessary for quality implementation of the proposed program; describe how the partners will recruit appropriate staff and ensure that all staff meet the quality criteria of the RFP; include the name, position, and a brief resume for each key staff member who has been identified for the program; describe the governance structure and identify who will be responsible for supervising and evaluating staff in the program; provide an organizational chart for the organization and the program; and describe how the results of staff evaluation will influence individual staff professional development plans.</p>
<p><b>Size of Grants</b></p>	<p>In FY 2009, \$11.1 million was distributed through the Early Childhood Block Grant:</p> <ul style="list-style-type: none"> <li>▪ The Children’s Cabinet awarded 14 grants to begin in January 2009.</li> <li>▪ The grants ranged from \$85,000 to \$6 million. Half of the grants are between \$100,000 and \$200,000.</li> </ul>
<p><b>Types of Providers Funded</b></p>	<p>In FY 2009, school districts, Head Start and Early Head Start providers, child care centers, and community-based programs that provide evidence-based programming to at-risk young children and families were funded. Grants focused on at-risk children in underserved areas.</p>

## Nebraska Early Childhood Education Endowment—Sixpence

<p><b>Purpose</b></p>	<p>To establish a sustainable funding stream and operational structure that provides early childhood services to families statewide who have children less than 3 years old and who are at risk of failing in school.</p>
<p><b>Target Population</b></p>	<p>Infants and toddlers ages birth to 3 years who are at risk of failure in school. <i>At-risk</i> is defined as:</p> <ul style="list-style-type: none"> <li>▪ Children whose family income would qualify them to participate in the federal free/reduced lunch program;</li> <li>▪ Children born prematurely or at low birth weight as verified by a physician;</li> <li>▪ Children who reside in a home where a language other than English is used as the primary means of communication; and</li> <li>▪ Children whose parents are younger than 18 years old or who have not completed high school.</li> </ul>
<p><b>Funding Mechanism</b></p>	<p>The Early Childhood Education Endowment (“Sixpence”) is the result of a public-private partnership created with \$40 million in state funding and an additional \$20 million in private sector dollars. Each year, Sixpence’s earnings are used to fund grants to school districts and their community partners to provide programs for infants and toddlers at risk of school failure. Programs that receive a grant must match the grant 1:1.</p>
<p><b>Source of Funds</b></p>	<p>The public Sixpence funds are earmarked from the Educational Lands and Trust Fund. The private Sixpence funds are being raised from the private sector by the designated administrator, currently the Nebraska Children and Families Foundation.</p>
<p><b>Distribution of Funds</b></p>	<p>The Sixpence Board of Trustees contracts with the Nebraska Children and Families Foundation to share responsibility for the administration and monitoring of the competitive grant process with the Nebraska Department of Education. Grant applications must be submitted by school districts in cooperation with at least one community-based organization.</p>
<p><b>Types of Services Funded</b></p>	<p>Applicants can apply for two types of grants:</p> <ol style="list-style-type: none"> <li>1) Quality Enhancement Grants provide existing programs with funding to enhance the quality of services for children and families already receiving services. <ul style="list-style-type: none"> <li>▪ The intent is to help providers reach a high level of quality.</li> <li>▪ Programs must implement services whose effectiveness has been proven by research, including: degreed teachers, small class sizes and caseloads, high staff/child ratios, and research-based curricula.</li> </ul> </li> <li>2) Access Expansion Grants provide funding to high-quality programs that would like to expand services. <ul style="list-style-type: none"> <li>▪ Programs must use access expansion dollars to: increase the number of children being served, expand part-time programs to full-day, or offer a new service component.</li> </ul> </li> </ol>

<b>Program Staffing Requirements (Group Care)</b>	<b>Quality Enhancement Grants-minimum criteria for existing programs to apply.</b>	<b>Access Expansion Grants-minimum criteria to apply. Quality Enhancement Grants-expectations at end of year 3.</b>
	<u>Lead Teacher/Caregiver:</u> Associate's degree or higher in early childhood education, child development, nursing, or related field. Staff receives individual or group supervision on an ongoing basis.	<u>Lead Teacher/Caregiver:</u> Bachelor's degree in early childhood education, child development, nursing, or related field (with coursework directly related to infants and toddlers). <u>Assistant/Paraprofessional:</u> Child Development Associate (CDA) degree or higher. All staff must complete training on the Nebraska Early Learning Guidelines Birth to Five (42 hours within 3 years). <u>Staff Supervision:</u> Staff receive individual or group supervision weekly, which includes education and an opportunity to reflect on practice and problem solve around clients' needs. Program Supervisor has training in reflective supervision, infant-toddler development, and the specific program model used.
<b>Program Staffing Requirements (Family Engagement Programs)</b>	<b>Quality Enhancement Grants-minimum criteria for existing programs to apply.</b>	<b>Access Expansion Grants-minimum criteria to apply. Quality Enhancement Grants-expectations at end of year 3.</b>
	<u>Family Educator/Home Visitor:</u> Associate's Degree in early education, nursing, social work, or related field. Staff receives individual or group supervision on an ongoing basis.	<u>Family Educator/Home Visitor:</u> Bachelor's Degree in early education, nursing, social work, or related field. Completion of all required training for program's chosen curriculum. Completion of 36 hours of training in the Nebraska Network for Home Visitation from the Early Childhood Training Center within the first year. <u>Staff Supervision:</u> Staff receive individual or group supervision weekly, which includes education and an opportunity to reflect on practice and problem solve around clients' needs. Program Supervisor has training in reflective supervision, infant-toddler development, and the specific program model used. Program Supervisor accompanies Family Educators/Home Visitors on a minimum of three personal visits during a 6-month period. The ratio of supervisors to staff is 1:6 or better.
<b>Size of Grants</b>	In FY 2009, a total of \$1.7 million was distributed to grantees: <ul style="list-style-type: none"> <li>▪ The Board of Trustees awarded 13 grants in FY 2008 that were renewed for FY 2009.</li> <li>▪ The grants (matched by the applicant 1:1) ranged from \$75,000 to \$150,000.</li> </ul>	
<b>Types of Providers Funded</b>	School districts and cooperatives of school districts, with the requirement to partner with at least one community-based organization. (These partners may be not-for-profit or for-profit service providers.)	

## Oklahoma Pilot Early Childhood Program<sup>2</sup>

<b>Purpose</b>	To provide comprehensive, full-day, full-year services for at-risk children ages birth to 4 years.
<b>Target Population</b>	<p>The program targets at-risk children ages birth to 4 years. <i>At-risk</i> is defined as:</p> <ul style="list-style-type: none"> <li>▪ Family income at or below 185% of the federal poverty level;</li> <li>▪ Family can demonstrate eligibility for tribal child care assistance; or</li> <li>▪ The child is in foster care.</li> </ul> <p>Ten percent of slots can be given to non-income-eligible children if families pay tuition.</p>
<b>Funding Mechanism</b>	A set amount of funding from a public-private partnership is made available for the Pilot Early Childhood Program each year. Currently, the state contributes \$10 million and the private sector contributes \$15 million. Participating providers submit an annual budget, which must be 40% state funded and 60% privately funded.
<b>Source of Funds</b>	The public dollars are generated from the state's general revenue funds. The private dollars are generated by contributions from private individuals and philanthropies. In FY 2008, the Pilot Early Childhood Program grew by 67% to its current funding level of \$25 million.
<b>Distribution of Funds</b>	The Department of Education receives state funds and contracts with the Community Action Project of Tulsa to recruit grantees, administer grant funds, and provide technical assistance. All grantees are recruited and invited to apply; the process is not competitive. Local grantees fundraise for private dollars to meet their required match.
<b>Types of Services Funded</b>	<p>Programs must meet a specified list of 25 Early Head Start Performance Standards. Applicants can apply for two types of grants:</p> <ol style="list-style-type: none"> <li>1) Enhancement Grants enhance the quality of existing center-based care and education (raising the quality of services provided to the same number of children).</li> <li>2) Enhancing and Expanding Grants enhance the quality of existing center-based child care and education and expand the number of children served (raising the quality of services already provided and increasing the number of children that can be served at the highest level of quality).</li> </ol>

<p><b>Program Staffing Requirements</b></p>	<p><u>Lead Teacher:</u></p> <ol style="list-style-type: none"> <li>1) A lead teacher with a Bachelor's degree is required for every two classrooms serving children ages birth to 3 years.</li> <li>2) All lead teachers for 3-year-old classrooms must have a Bachelor's degree and early childhood certification or must begin the process to obtain certification within 1 year.</li> <li>3) Pay parity with local public school teacher compensation.</li> <li>4) Experience in early childhood education for all lead teachers.</li> </ol> <p><u>Teacher Assistant:</u> Associate's degree in child development or related field.</p> <p><u>Classroom Aide:</u> High school diploma or GED, CDA or Certificate of Mastery (may be obtained within 1 year of employment).</p> <p><u>Family Support Staff:</u> Bachelor's degree and maximum caseload of 50 families.</p> <p><u>All Staff:</u> FBI background check.</p> <p><u>Staff Training:</u> Detailed training requirements specified for years 1–3 of funding that include but are not limited to: Department of Human Services Entry Level Child Care Training (DHS-ELCCT), WestEd Program for Infant/ Toddler Care (PITC), preschool curriculum trainings, Creative Curriculum trainings, and leadership training.</p>
<p><b>Size of Grants</b></p>	<p>In FY 2009, \$25 million was allocated for the Pilot Early Childhood Program:</p> <ul style="list-style-type: none"> <li>▪ The Community Action Project of Tulsa County awarded grants to 12 providers.</li> <li>▪ The grants ranged from \$92,000 to \$1.3 million for program enhancement and expansion of program services.</li> </ul>
<p><b>Types of Providers Funded</b></p>	<p>Early Head Start, Head Start, and providers who operate a full-day, full-year, center-based program for children ages birth to 4 years from low-income families and agree to apply for and achieve National Association for the Education of Young Children (NAEYC) accreditation. Once NAEYC accreditation is achieved, providers will also meet the state's requirements for a 3-star facility through the state's Reaching for the Stars quality rating system.</p>

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