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STRATEGIC FINANCING:  
Making the Most of the State  
Early Childhood Comprehensive  
Systems Initiative

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## Contents

Introduction.....	4
Financing Challenges to Developing Comprehensive Early Childhood Systems .....	6
Principles to Guide Early Childhood Investments.....	8
Keys to Successful Financing .....	10
Making the Most of SECCS: Strategies for Financing Comprehensive Early Childhood Initiatives.....	11
Strategy 1: Optimize the efficiency of existing resources .....	12
Strategy 2: Maximizing public revenue.....	15
Strategy 3: Creating more flexibility in existing categorical funding streams .....	19
Strategy 4: Building public-private partnerships.....	24
Conclusion .....	28
Appendix A: Federal Funding Sources for Early Childhood Supports and Services .....	30
Appendix B: Template for Funding Comprehensive Early Childhood Services.....	37
Appendix C: Other Resources .....	38

## Introduction

Ensuring that children enter school ready to learn is now a well-established national goal. Dramatic changes over the past three decades in U.S. families and the economy, as well as emerging research on the importance of early brain development, have increased the demand for public investments in early childhood supports and services, especially health care, child care and preschool education. Yet policies and programs to ensure that young children receive basic health care; that they are well-cared-for when their parents work; and that they have access to resources which enhance their social and intellectual readiness for school have lacked a shared vision and a sustained public and private sector commitment. As a consequence, in most states and communities services have been fragmented, inequitable, and too often of poor quality.<sup>1</sup> In many cases, they have also been sporadic and short-lived.<sup>2</sup>

The way in which early childhood funds are channeled into communities significantly affects what supports and services are available; how they are provided; how well they are linked with other resources in the community; and who benefits from them.<sup>3</sup> The bulk of public funding for early care and education, as well as for other health and social services for young children and their families, is categorical. Categorical funding streams are narrowly-defined funding streams that support highly specialized activities and specifically targeted populations. Likewise, philanthropic and other private initiatives to improve the quality and accessibility of early childhood programs and services are often narrowly targeted, short-term, and uncoordinated.

As pressure mounts for communities to strengthen their commitment to families and meet the demand for services at a reasonable cost, there is also a growing eagerness to find better ways of financing programs and services to make them sustainable. Moreover, after several years of economic prosperity and public budget surpluses, the current downturn heightens the sense of urgency for improved financing strategies.

The Maternal and Child Health Bureau's (MCHB) State Early Childhood Comprehensive Systems (SECCS) Initiative gives states an opportunity to think more strategically about how early childhood services are delivered and funded. SECCS grew out of MCHB's strategic plan for early childhood health, which specifies two goals:

1. To provide leadership to the development of cross-service systems integration partnerships in support of children in early childhood in order to enhance their ability to enter school healthy and ready to learn; and
2. To support states and communities in their effort to build early childhood service systems that address the critical components of:
  - a. Access to comprehensive pediatric services and medical homes;
  - b. Socio-emotional development of young children;
  - c. Early care and education;
  - d. Parenting education; and
  - e. Family support.<sup>4</sup>

States with SECCS grants will have to do an environmental scan of current financing of early childhood services and potential funding for service expansion and further systems-building efforts before they develop a broad statewide, multi-agency plan for early childhood.<sup>5</sup> This paper presents a framework to help SECCS partners develop a strategic financing approach to meet these requirements. It is intended to help SECCS partners see themselves not just as fund mappers, but as fund managers.

The paper is organized into several sections:

**Financing Challenges to Developing Comprehensive Early Childhood Systems** reviews basic challenges that policy makers, community leaders, and program developers struggle with as they finance early childhood initiatives.

**Principles to Guide Early Childhood Investments** highlights a set of general principles to guide decisions concerning the allocation and management of early childhood funds.

**Making the Most of SECCS: Strategies for Financing Comprehensive Early Childhood Initiatives** presents an array of relevant strategies for financing comprehensive community early childhood initiatives.

**Keys to Successful Financing** summarizes key steps to developing and implementing successful financing plans.

**Appendices** provide information on federal funding streams, list federal funding sources by functional activity, and highlight a number of other published materials and electronic information sources that are relevant to and can supplement the information presented in this paper.

## Financing Challenges to Developing Comprehensive Early Childhood Systems

The poor fiscal health of the federal, state, and local governments creates a difficult environment to raise revenues for more early childhood services. In general, federal appropriations for early childhood-related funding streams have remained stagnant for the past two years, and states are struggling to fill budget gaps which will only maintain existing programs. The fiscal picture does not promise to improve in the near future, and it may even get worse if state governments decrease funding to local communities. The situation may arise where state governments will be forced to choose between raising taxes and fees or reducing the depth and breadth of existing services. Despite the poor outlook, history has shown that many gains for young children occur during economic recessions. For example, the Child Care and Development Block Grant was enacted in 1990 in the middle of a recession that would go from January of 1990 to March of 1991. More recently at the state level, Illinois and Pennsylvania both appropriated new funds for pre-kindergarten programs in 2003 despite deep budget deficits.

While the climate is not ripe for new money, it is an ideal time to create more efficient and coordinated systems that deliver early childhood services. Difficult fiscal times require policymakers and program managers to look more closely at programs that are not working; to make the hard choices to cut funding for ineffective programs; and to reallocate funds from less effective to more effective programs. The climate is also ripe for thoughtful planning on ways to deliver more comprehensive services once the economy turns around. The SECCS grants provide the platform and the funding to do this work.

In order to successfully design, implement, and sustain comprehensive early childhood systems, policymakers, community leaders, and program developers need to successfully address two major challenges. The first is that there is *simply not enough funding* to offer quality early childhood development opportunities to the many families that need them, and this was true even before the current recession. Both the public and private sectors have invested significantly in health care, child care and early education in recent years, however the demand for services continues to outweigh the supply.

Inadequate funding often forces policymakers and program developers to make difficult trade-offs between scope of services, target population, and quality. These trade-offs, and the differing priorities driving them, lead to the second challenge in creating an integrated system of early learning – *the categorical nature of funding streams*. Separate funding streams created in response to different priorities are governed by a number of federal and state agencies. As a result, there are parallel funding streams that fund early care programs with different:

- ✓ Types of services;
- ✓ Eligibility requirements;
- ✓ Staff training and qualifications; and
- ✓ Regulations and requirements.

Table 1 (below) provides an example of these differences within the early childhood care and education system for one state. These differences demonstrate some of the typical issues that arise with categorical funding streams across the different service sectors.

**Table 1: Comparison of Early Childhood Care and Education Program Requirements for California**

	CCDF	State Preschool	Head Start
Age	13 year olds and under	Three to five year olds	Three to five year olds (Early Head Start, up to age three)
Income	Less than 75 percent state median income (~\$39,000 for a family of three).	Low-income families given first priority. Income ceilings ~\$34,600 for a family of three.	90 percent below the federal poverty level (e.g. \$15,260 for a family of three)
Work Requirement	Must be employed, seeking employment, in vocational training, or homeless and searching for housing.	None	None
Special Needs	Priority given to children receiving protective services and with special needs.	Suggested, but not required that children with “exceptional” needs be given priority.	10 percent of enrollment must be children with disabilities
Staff/child ratios	Preschool – 36 months to kindergarten One adult: eight children One teacher: 24 children (different ratios for other age groups)	One adult: eight children One teacher: 24 adults	Two staff members (3 <sup>rd</sup> adult volunteer preferred) for: 15 to 17 three year olds 17 to 20 four and five year olds
Hours		A minimum of: Three hours/day, 175 days/year	A minimum of: Three and a half hours/day, Four to five days/week (120 to 160 days/year, respectively)
Teacher Credentials	Teachers are required to have completed six units of postsecondary coursework in early childhood education or development (12 units are required for fully qualified teachers); or obtain a Child Development Assistant Permit from the California Commission on Teaching Credentials.	Site supervisors and teachers must meet minimum credentialing qualifications established by the California Commission on Teaching Credentials.	By 2003 not less than 50 percent of Head Start teachers must have ECE Associates, Bachelors or other advanced degree or meet certification requirements by alternative means.
Admin. Agency	State Department of Education	State Department of Education	U.S. Department of Health and Social Services
Flow of Funds	Contracts, through a competitive application process based on the priorities established by local child care planning councils.	Annual contracts	HHS awards grants to approved Head Start Agencies (non- or for- profit community agencies) on a competitive basis for no more than 80 percent of the total program costs.
Fiscal Agent	Over 800 public and private agencies statewide have 2,000 contracts to provide services to over 311,000 children.	School districts, community college districts, universities, county superintendent of schools, county or city agencies, public or private non-profit agencies, or private for-profit agencies may operate programs.	Head Start Agencies – community non-profit or for-profit organizations which were competitively awarded a Head Start grant—may provide programming or contract with other organizations to provide programming.

*Sources: CCDF – California CCDF State Plan 10/1/01-9/30-03; State-Pre-K – California Code of Regulations, Title 5, California Education Code Sections 8360, 8261, 8235, 8265; Healthy Start – Healthy Start RFA 2000-01; Head Start-- Title 45 of the Federal Code Parts 1310-1311; Preschool Grants Program-- Section 301 of the Individuals with Disabilities Education Act; Early Intervention Services for Infants and Toddlers with Disabilities— Section 303 of IDEA*

At the community level, this variation in funding characteristics results in multiple, fragmented programs and services which make it difficult to tailor responsive early learning programs and other supports and services for families' needs. Funding comprehensive and intensive programs for those most in need becomes especially difficult. Categorical funding can also make accessing supports and services cumbersome and confusing for families. Families in one program may need something that the single funding source does not cover, forcing them to go to another provider and another program or to go without the service altogether.

While these challenges are daunting, communities that come together and strategically address them can succeed in financing and sustaining comprehensive early childhood systems. The following strategies are critical to success:

*Using scarce resources most effectively* may require the difficult and sensitive job of redirecting spending from less effective to more effective programs and services and redistributing resources from higher-cost to lower-cost approaches. It also may involve efforts to co-locate separate services and increase the efficiency of administrative and management processes;

*Maximizing public funding* can include leveraging existing resources to draw down additional public funds, as well as exploring new opportunities to draw down public funds;

*Increasing flexibility in categorical funding* by either aligning and coordinating separate streams or removing contradictory requirements; and

*Developing strong partnerships* among the many people and organizations in a community who have a stake in early learning -- state and local government agencies, providers, business and foundation partners, schools, community leaders, early childhood advocates, and parents. Strong partnerships are the foundation for getting beyond the turf issues associated with inadequate resources and tackling the administrative obstacles of bringing together separate funding streams. They also help communities to leverage both cash and other important resources, such as leadership and technical expertise.

Section V of this paper explores these strategies in more detail and provides examples of communities where they have been successfully implemented.

## **Principles to Guide Early Childhood Investments**

In many cases, the outcomes that leaders seek for families and children cannot be achieved without bringing together resources in new ways. A clear set of guiding principles will help decision makers begin to delineate financing strategies to match their policy, program, and systems reform goals. While each state will want to develop and agree to its own set of principles, the following are examples of recommended principles.<sup>6</sup>

*Drive the effort with a compelling and well-conceived policy and program agenda.*

Financing strategies are easier to develop when there is consensus and a clear understanding of what is being financed. Take time at the beginning of the process to make sure everyone agrees on the answer to the question, "Financing for what?"

***Align financing strategies with the programs and services they are intended to support.*** Be sure that the funding sources and proposed financing strategies fit the initiative's needs and conditions. Short-term, time-limited grants are not a long-term financing solution for ongoing programs and services. Highly restricted, categorical funding may not support the coordination, collaboration, and administrative capacity needed to create effective comprehensive systems. Ensuring that financing strategies are closely aligned with the funding purposes is essential to maximizing available resources.

***Take account of changing fiscal needs over the life cycle of the initiative.*** Although there is no substitute for good luck and timing, effective financing requires more than just a knack for tapping into available funding sources at opportunistic times. Decisions about which sources and strategies to pursue should be based on a careful analysis of short- and long-term funding needs over the life cycle of an initiative. For example, if an initiative begins as a targeted demonstration, but over time is expected to go to scale and serve all families in a community, then the costs and expenditures can also be expected to change in nature as the scope is broadened (i.e., rise). Understanding and anticipating the development of an initiative is an important step in the process of designing financing strategies that keep pace with changing fiscal needs.

***Incorporate multiple funding sources that cut across traditionally separate services and programs.*** Making the most of available funds requires combining public- and private-sector resources in innovative ways to create a funding portfolio of specialized, flexible, short- and long-term funding that is focused on the outcomes of the initiative. Just as an individual's investment portfolio is strongest when it is diversified and derives income and growth from a complementary array of holdings, funding for a comprehensive early childhood initiative should also be diversified to stabilize funding over time and to make the best use of multiple funding sources.

***Maximize the use of resources already in the system.*** One of the most important principles of effective financing is to make the best use of dollars that are already being expended on family and children's services. This may require the difficult and sensitive job of reallocating or redirecting spending from less effective to more effective programs and services; from higher cost to lower cost approaches; or from lower priority to higher priority investments. Developing comprehensive community support systems for families and children often creates opportunities to shift spending from specialized treatment to more prevention-oriented services and to achieve economies of scale in case management, administration, and outreach. Entering into letters of agreement with other service providers and systems may help garner other resources, including volunteer staff, contributed space, donated equipment, and technical support.

***Use new funding to leverage other public and private sector resources.*** Many large federal funding streams are designed to require matching funds from other sources. States and local communities can significantly increase their resources by developing new, dedicated revenues to match and draw down available federal or state dollars and private funds. The underlying concept is that shared funding and a mutual commitment among contributing partners (government at all levels and the private sector) will help ensure the success and sustainability of promising initiatives.

***Contribute to a positive return-on-investment.*** In business, investors expect to receive a positive return on their investment. In human services, the concept of return on investment is just beginning to take hold. Increasingly, investors – often taxpayers – want assurance that

their investments in children and families will pay off in meaningful and measurable ways. This means not only by making services available but also by improving results among those who receive them. Just like business investors, those investing in human services want to know and be able to measure the return on their investment. They want to see healthier children, stronger families and safer communities. Financing needs to be aligned with these types of results, and investment opportunities need to be evaluated in terms of their potential to reduce the cost of bad results. Bad results create greater costs through remediation, incarceration, and dependency. When compared to these bad results, investment opportunities are able to deliver attractive returns.

***Guard against supplantation.*** Often, the implementation of new revenue sources becomes an opportunity for state legislators and county commissioners to “free up” General Fund dollars for other purposes, a term called supplantation. The SECCS guidance, like other new initiatives, is intended to discourage supplantation. However, many states will face the reality of General Fund spending levels that do not always keep pace with rising costs or growing needs. Under these conditions, state and county leaders may choose to not continue traditional funding levels for early childhood programs that have new revenues and improved financing strategies. Initiative leaders should plan proactive measures to keep the critical federal, state, and even local funds in place to meet the ongoing needs of young children and their families.

## **Keys to Successful Financing**

The financing strategies described in the next section do not stand alone and are not ends in themselves. All financing strategies are a means of achieving desired ends, which in this case includes increased efficiency in the use of resources and the development of more integrated and responsive system of early childhood supports and services. Thus, these strategies must be developed within the context of larger planning processes that focuses on the strategic use of resources to achieve desired results. Leaders interested in implementing strategic financing strategies, whether they are operating at the program, community, city, county, or state level, will be more successful if they lay the groundwork by taking the following steps.

***Develop leadership and a clear vision.*** Attempting to blend separate funding streams is fundamentally about bridging the differing philosophies and priorities that led to the creation of categorical streams in the first place. A critical starting point, therefore, is the possession of a clear vision and leadership that can articulate that vision and inspire stakeholders to achieve it. Once leaders have articulated a clear vision of what they want to achieve, they can consider their resource options and how they can coordinate or integrate funding streams to achieve their goals.

***Focus on results.*** Successful financing strategies frequently involve a new commitment to achieving results. In effect, a focus on process (i.e., who is served with what particular services) is replaced with a focus on results (i.e., what we—as a program, a community, a state—are trying to achieve for young children and their families). Within this framework, the use of funding streams can be organized around the supports and services that will most effectively achieve desired results. Forging clear and agreed-upon desired outcomes for young children among the many stakeholders at a number of levels (program, community, and state) will lay the groundwork for a strategic financing strategy.

***Establish collaborative planning processes and structures***—All of the financing strategies that will be discussed in this paper are predicated on the existence of strong partnerships and planning processes. Interagency partnerships at the state and county levels are essential if policy makers wish to increase the efficient use of resources and the flexibility of funding through strategies such as pooling. Likewise, community-level partnerships enable leaders from public agencies, school districts, community organizations, businesses, and foundations to effectively assess local needs; understand the landscape of funding and services present in a community; and devise strategies to coordinate the many separate funding streams supporting local efforts. Finally, connections between community- and state-level partnerships foster state policymaking that is responsive to local needs.

***Understand resource options.*** To be strategic, it is essential to know the range of resources that potentially can support early care and education. It is also critical to understand how much flexibility is actually allowed in using those funds. Too often, individuals administering funds (whether at the state, local, or program level) do not take advantage of the flexibility actually available within the current legislation and regulations of a program. It is essential to know the difference between what is encouraged, what is allowed, and what is required. At the state level, it is also important to avoid imposing regulations on block grants that are more restrictive than federal law requires. The presence of a strong vision and a focus on results can ease the need for restrictive regulations.

***Allocate resources strategically.*** As a general rule, once leaders have a clear understanding of relevant funding sources, they should allocate the most restrictive sources first. Then sources that are more flexible can be used to fill in the gaps left by categorical funding.

***Develop needed infrastructure.*** The successful implementation of the financing strategies outlined in this brief require fairly sophisticated administrative systems, including communication systems to facilitate effective collaboration between partners at the community level and agencies at the state level; data-tracking and cost-allocation systems that provide the ability to track the use of funds and report back to multiple sources; and training and technical assistance systems to help local programs understand and manage complex administrative processes.

These key points on successful financing, as well as the preceding principles for investments in early childhood lay the ground work for specific strategy discussion. The following section looks at several strategies, along with considerations that need to be made regarding the appropriateness of each strategy within a state and local context.

### **Making the Most of SECCS: Strategies for Financing Comprehensive Early Childhood Initiatives**

Several strategies are available for developing a broad and stable funding base for comprehensive early childhood systems. These financing strategies fall under four general headings:

1. Optimizing the efficiency of existing resources,
2. Maximizing public revenue,
3. Creating more flexibility in existing categorical funding, and

#### 4. Building public-private partnerships.

It is important to note at the outset that these strategies are not mutually exclusive. They can and should be combined in a carefully designed portfolio of financing strategies. Their success also depends on the agencies involved, nature and scope of activities, and the economic and political environment of the state and community. The strategies, terms and examples used in this section are based on the work of The Finance Project, a non-profit policy research, technical assistance, and information organization focused on improving results for children, families, and communities at the national, as well as local level.<sup>7</sup>

##### ***Strategy One: Optimize the efficiency of existing resources***

Among the most ambitious efforts to improve financing and to make resources go further is to reshape the way dollars already in the system are spent, especially funds that benefit families served by several agencies and programs. Vulnerable families and those at highest risk typically have multiple needs and often receive services from more than one provider. Efforts to make better use of existing resources frequently focus on coordinating and streamlining these services to reduce the administrative costs associated with serving a particular family and on shifting funds from more restrictive and higher cost services to less restrictive and less costly, community-based services. These services place an emphasis on keeping children in their own homes and communities. They also entail efforts to create greater efficiency in an array of community-based supports and services by making better use of non-monetized resources and creating greater economies of scale that enable all providers to reduce their operating costs.

The foundation for optimizing existing resources is detailed knowledge of current resources invested in early childhood programs, including the particular supports and services they fund. Partners in the SECCS Initiative can jointly develop early childhood budgets that map current funding to program capacity. With a clear understanding of current expenditures, it is then possible to make resources extend further.

##### Redeployment

Redeployment is a strategy for shifting funding from higher-cost remedial services to lower-cost preventive programs and services. One example is schools that shift Title 1 funds from remedial services to early childhood education. Another example occurs in the child welfare field, where several agencies operating independently spend significant sums on families who receive intensive supports and services. By increasing investments in community-based preventive supports and services, state and local leaders can reduce the need for more intensive, costly, and remedial services. Operating in a system where there are not enough funds always makes it difficult to shift limited investment dollars. However, redeployment strategies encourage stakeholders to make the connections between early childhood development and later success in life, with a specific focus on providing positive preventive and health promoting opportunities for families and children.

##### Operating more efficiently

By creating greater efficiency in early childhood systems, agencies and programs are able to cut administrative costs and serve families in a more comprehensive and integrated manner. Among the most common approaches are:

- ✓ Co-locating and connecting independent programs and services;
- ✓ Making better use of contributed support, volunteers, and in-kind contributions;

- ✓ Creating economies of scale through purchasing pools (e.g., for supplies, administrative services, and professional training), and
- ✓ Implementing more streamlined administrative and management processes.

Lack of knowledge and understanding of concurrent service delivery systems, competition among programs and services, and duplication of effort can hurt the short- and long-term success of coordination initiatives. Accordingly, one of the underlying tenets of building comprehensive systems is the need to coordinate and connect resources that are available in order to save time and effort that is often wasted when many small organizations and groups fail to work together.<sup>8</sup>

#### **Streamlining Administration in Children’s Mental Health**

The Children’s Mental Health Service Act (1992) established funding for improved coordination of care to children with serious emotional problems under the System of Care (SOC) program. These children typically receive care and have cases open with multiple public agencies. To decrease the duplication of effort and streamline administrative functions, the Los Angeles County SOC created an Inter-agency Screening Committee that bridged the services of four distinct agencies: Department of Children and Family Services, Probation, Mental Health, and local school districts. This Screening Committee has created a single point of entry system that involves one screening process, one intake form, one service plan for the individual child, and one interfacing information system. Through this collaboration, duplication of effort is minimized and children and families receive services in the most coordinated manner possible.

#### Reinvestment

Reinvestment is a strategy that takes efficiency efforts one step further by attempting to identify funds that have been “saved” and reallocating them to support new/alternative supports and services (e.g., as case loads decline, capturing the savings from spending on remediation and reinvesting in prevention). The premise for reinvestment is that it is less costly to invest in producing good results among children and families than in treating the consequences of bad results. Communities can avoid the high costs of bad results by investing in supports and services that prevent problems and foster positive outcomes, thereby reducing the need for expensive remedial supports and services. When savings are realized, they can be reinvested in prevention and early intervention to enhance a community’s capacity to produce desired results, further reducing the need for costly remediation, and yielding additional savings. Keys to the success of reinvestment strategies are:<sup>9</sup>

- ✓ Programs and services that can improve the well-being of young children and their families by reducing or avoiding the high costs of remediation;
- ✓ Evidence of program and service effectiveness, and the ability to produce downstream savings;

- ✓ A “reinvestment deal” that specifies the proposed reinvestment: how much will be spent; from what sources; for which programs and services; over what period of time; with what method of tracking cost avoidance and cost savings; and how the realized savings will be allocated between and among the partners (e.g., state agencies and community collaboratives); and
- ✓ Partners who have the authority and resources to shift investments and commit state agencies, county agencies, and community non-profit organizations to a reinvestment deal.

In the end, decision-makers must weigh the more predictable costs of treating problems against the hoped for but less predictable costs and benefits of trying to prevent problems. The success of designing and implementing reinvestment strategies depends on partners who are willing and able to make a deal and a convincing case (based on imperfect information) that a shift in investments can deliver actual expenditures below the current baseline.<sup>10</sup>

**Reinvesting Funds Saved By Keeping  
Children in Their Communities**

Under Maryland’s Community Partnerships for Children Youth and Families Initiative, local collaboratives are authorized to use funds appropriated for out-of-home care to provide in-home services to at-risk families in order to prevent out-of-home placement. Each local jurisdiction has a local management board that establishes a plan for developing better services to families most at-risk and develops a set of core services. Jurisdictions have the flexibility to design core services that are most responsive to local needs, but must document that they will be effective in helping families to stay together. Localities can then retain and reinvest any dollars they save by reducing out-of-home placements into their local service systems.

Contact: Amanda Owens, Governor’s Office for Children, Youth, and Families  
Phone: (410) 767-6208, Website: <http://www.ocyf.state.md.us/>

Considerations:

In some cases, it takes money to make money. While redeployment, operating more efficiently, and reinvestment are strategies to make better use of existing resources, they often require an initial investment of new funds to create prevention programs and services or to retool management and administrative systems to support better coordination. Ultimately, these investments can be expected to result in reduced spending on more intensive and expensive treatment programs. They are also likely to reduce duplicative case management, outreach, and administrative capacities among programs and agencies serving the same young children and families.

Timelines matter. The longer it takes to show a return on an investment, the more difficult it will be to redeploy funds, or to argue for new funds for prevention. This is especially true if the timeline to show results is longer than the project funding cycle, evaluation period, political cycles, or job terms. Funders, evaluators, program administrators, and policymakers all like to see the fruits of their labor, making timeliness an added consideration and challenge.

## ***Strategy Two: Maximizing public revenue***

The appended index identifies 59 federal funding streams that are available to support early childhood programs and services.<sup>11</sup> These programs are of several basic types:

Entitlement programs – open-ended, uncapped appropriations that provide funding to serve all children and families that meet the programs’ eligibility criteria (e.g., Title XIX – Medicaid and Title IV-E – Child Welfare);

Formula (or block) grants – capped appropriations that provide a fixed amount of funding to states or localities based on established formulas, which vary from grant to grant and require a state match (e.g., the Child Care Development Block Grant and Temporary Assistance for Needy Families). The formulas are usually tied to population characteristics, such as income status, geographic residence, or personal characteristics like disabilities.

Discretionary grants – capped appropriation for specific project grants awarded on the basis of competitive applications (e.g., Head Start). Depending on the provisions of the program, applicants may be a state, local, public, or private entity. A growing number of discretionary grant programs require collaborative efforts by a consortium of community agencies and organizations.

Direct payments – capped appropriations that support direct financial assistance to individual beneficiaries who satisfy federal eligibility requirements (e.g., Supplemental Security Income, Section 8 Housing Assistance, and Refugee and Entrant Assistance). These programs may be administered by an intermediate state agency.

Maximizing public funds is a financing approach that encourages state and local leaders to identify relevant funding sources; identify all children and families eligible to receive funds from these sources; and take steps to ensure that state and local agencies acquire the maximum amount of money that can be obtained from each source. These efforts can substantially expand the funding base for programs, provide stable revenues, and free up funds for other purposes.

### Leveraging

Leveraging is a strategy for maximizing federal revenue by taking advantage of programs that provide funding contingent on state, local, or private spending. In order to leverage entitlement and block grant dollars, it is necessary to demonstrate public expenditures (either state or local) on allowable activities as defined in the federal statutes. This may entail designating current state or local spending to be eligible to draw down new federal matching funds. It may also involve spending new state or local dollars to qualify for the maximum share of federal funding. Local funds can be used to leverage block grant monies when the state does not contribute enough “match” (maintenance of effort) to secure the full amount permitted in the allocation formula. By spending additional amounts – or designating existing spending not previously claimed under the state match – counties and other local jurisdictions can leverage new federal dollars. To actually receive these new funds, however, the local entities must obtain commitments from the state, since in most cases, the state will be the recipient of these dollars.<sup>12</sup>

In order to effectively leverage public funding, it is necessary to know:<sup>13</sup>

- ✓ What publicly funded programs require matching;

- ✓ What qualifies as eligible expenditures under these programs;
- ✓ The types of services that state and local revenues are supporting;
- ✓ Whether all eligible expenditures are being submitted for matching; and
- ✓ For block grants, whether the maximum amount of federal funding is being drawn down or whether an additional match is required to do so.

To maximize public funds, partners in the SECCSI Initiative will want to work closely with elected officials and state administrators to maximize their leveraging potential.

#### **Leveraging Medicaid Dollars to Support a Home Visiting Program**

Oregon is using Medicaid reimbursements to support their Healthy Start home visiting program. Healthy Start is one component of Oregon's statewide system of comprehensive, community early childhood supports and services. Local communities create an Early Childhood Comprehensive Plan for children ages prenatal to eight years. One of the core services that local communities are required to integrate into their comprehensive plan is home visiting for children with medical and/or social risks. In order to support the Healthy Start home visiting component, Oregon has created a process for claiming Medicaid administrative reimbursements for Healthy Start home visiting activities. Local communities with an approved Early Childhood Comprehensive Plan receive state funding to implement their plan. Healthy Start programs within those communities then document the time spent on activities that can be reimbursed through Medicaid. The claiming process is administered by the Oregon Commission on Children and Families, which then distributes leveraged federal dollars to local communities. In 1999 to 2001, a total of approximately \$3.1 million in federal Medicaid dollars was available to match allowable activities in 20 participating communities.

Contact: Beth Kapsch, Oregon Commission of Children and Families  
 Phone: (503) 373-1570, ext. 235  
 Web Site: <http://www.ccf.state.or.us>

#### Replacing Discretionary Funding Sources with Entitlement Funding Sources

This is a specialized form of leveraging, often called refinancing, that expands the funding base. It usually entails replacing public and private discretionary funding with federal or state entitlement funding.<sup>14</sup> Because entitlement funds are open-ended and must be made available to serve all children and families that meet the programs' eligibility criteria, they are a highly stable and predictable funding source. The remaining federal entitlement programs are:

- ✓ Title XIX, Medicaid—supports health care for low-income children and adults, as well as administrative costs associated with providing these services.
- ✓ Title IV-E—supports children in foster care or children at-risk of being removed from their homes and pays for some supports and services to vulnerable families to

prevent out-of-home placement. Title IV-E also pays the administrative costs associated with the delivery of child welfare and family preservation services.

- ✓ Federal Child and Adult Food Care Program—provides reimbursement for meals and snacks served to eligible low-income children in child care programs, including after-school programs.

Refinancing through entitlement funding has significant potential for expanding community funding bases for family and children’s services because these funds are available to subsidize the costs of serving all eligible children, youth, and family members. The primary challenge is keeping the freed-up money in the child and family service system. As mentioned in Section III: Principles to Guide Early Childhood Investments, it is important to prevent supplantation, or the redirecting of freed-up funds to other purposes. When this happens, the child and family service system may be worse off and have nothing to show for its efforts. Therefore, the best way to retain the funding is to increase the percent of children who are eligible for Medicaid and Title IV-E benefits and broaden the scope of claiming without overstepping the bounds of allowable activities.<sup>15</sup>

**Refinancing Medical-Related Services Provided  
in Schools with Medicaid Dollars**

In Vermont, two strategies have been implemented that provide Medicaid reimbursements to schools for health related activities. First, schools are reimbursed for performing outreach activities to encourage families to receive well child check-ups. Schools that have the capacity to provide on-site medical services are also reimbursed for providing comprehensive preventive health services for Medicaid-enrolled students. These reimbursements are made through Medicaid’s Early Periodic Screening, Diagnosis, and Treatment (EPSDT) program. Vermont’s program, the EPSDT School-Based Health Access Program, generated \$2 million in fiscal year 2000. Individual districts received amounts ranging from approximately \$5,000 to \$100,000, depending on the size of the district and the proportion of Medicaid-eligible students. Although there is no federal mandate that these dollars be reinvested in health services, Vermont requires each participating district to have a local committee that creates a plan for investing the dollars in health promotion and prevention.

Contact: Gary Schaedel, Vermont School-Based Health Centers  
Phone: (802) 652-4184

Administrative Claiming

Administrative claiming is a form of refinancing that makes use of available Title IV-E (child welfare) and Title XIX (Medicaid) administrative funds to cover case management, outreach, eligibility determination, program planning, and an array of other administrative costs based on a match of local funding. This strategy entails accounting for local spending on administrative activities duly allowable under a federally-approved plan for claiming reimbursement and cost allocation. Once received, these funds become state agency money that can be spent for any state-approved purpose and are free of federal restrictions. Based on an agreement between the state agency and local communities, the federal funds can be channeled back into the community for reinvestment in community programs for children and their families. By designating a

community collaborative as the lead agency for this financing arrangement, the financing strategy becomes a vehicle for not only bringing new revenue to the community for previously existing activities, but the financial strategy can also be used to strengthen community collaboration and local governance.<sup>16</sup>

### Considerations

To the extent that local public expenditures qualify for federal matching funds or can help build the infrastructure to qualify other public spending for federal matching, the total amount of new funding available for child and youth programs can increase substantially. One of the great strengths of maximization strategies is that they can potentially create a sustainable funding base. Even if they draw down only small amounts of money in a constant and enduring way, they can provide a stable and reliable base of funding. Once started, the flow of funds continues.

Another strength of maximization strategies is that they are not confined to a single agency or program. They can be implemented horizontally across several programs and services -- including child welfare, juvenile justice, homeless services, and domestic violence -- to identify local spending that qualifies for federal reimbursement.

A benefit of leveraging federal funding is that the new revenues actually increase opportunities for additional leveraging. The new federal dollars, in effect, replace a share of state and local spending to support programs and services. These resources are then freed up for other purposes. To the extent that they are used for activities that also qualify for federal reimbursement, they can leverage additional federal revenues.<sup>17</sup>

Many discretionary or program grants provided by government and private funders require matching funds. When applying for these grants, program leaders need to be aware of the matching funds requirements and rules.

Local leaders do not have the authority to directly access many federal funding sources because these funds flow through state government agencies and, in some cases, are co-mingled with state dollars. To ensure that federal and state funds are allocated in ways that respond to community needs and priorities, local leaders need to develop strong working relationships with state officials. They are often more likely to be successful in their efforts to influence allocations if they approach state officials as a coalition and work with other programs and initiatives to demonstrate the broad applicability and benefit of the approaches they advocate.

### **Minnesota's Administrative Claiming Strategy**

In 1993 the Minnesota Legislature passed legislation to promote locally planned, interagency collaborations called Family Services and Children's Mental Health Collaboratives. In 1995 and 1996 four local collaboratives piloted an interagency initiative to earn federal revenue by claiming federal reimbursement for eligible activities performed by the staff of public sector child serving organizations. The local collaboratives involved in this pilot were from the public health, public schools and corrections sectors (county social services was already participating in its own initiative). This initiative, the Local Collaborative Time Study (LCTS), was expanded to all collaboratives that qualified in 1996.

The state set up a streamlined process for local public agencies to file administrative claims for case coordination and outreach services delivered to children at-risk for out-of-home placement or for children with health concerns. The LCTS targets administrative claims in two federal entitlement programs: Foster Care and Adoption Assistance through Title IV-E and Medical Assistance through Title XIX. These new claims generate substantial additional federal revenue.

Minnesota requires that all federal revenue received through the LCTS be distributed to local collaboratives. These local collaboratives must use the revenue to expand prevention and early intervention services for children and families. Funding priorities must be established by collaboratives based on local needs. Funds must be used in ways that are consistent with the legislation governing collaboratives and the following goals: prevention of out-of-home placements; enhancement of family support and children's physical and mental health services; development of a seamless system of services; and strengthening of local community-based collaborative efforts.

#### Family Services & Children's Mental Health Collaborative Contact:

Amalia Mendoza  
[Amalia.mendoza@state.mn.us](mailto:Amalia.mendoza@state.mn.us)  
(651) 297-3174

#### LCTS Contact:

Ann Boerth  
[Ann.boerth@state.mn.us](mailto:Ann.boerth@state.mn.us)  
(651)296-7336

### ***Strategy Three: Creating more flexibility in existing categorical funding streams***

Most federal funding streams are categorical. They tend to support programs and services with narrowly-defined purposes that provide very specific types of assistance to special categories of children and families who are defined as eligible under federal law. The result at the community level has been a plethora of programs and services that are disconnected, duplicative, and often make it difficult to coordinate and provide the customized help that many children and families require. Another important group of financing strategies is aimed at creating more flexibility in categorical funding. These approaches can be critical to supporting comprehensive systems and to paying for an array of needed services when one or another funding stream cannot do the job alone. The common objective of these financing strategies is to enable leaders to provide an array of coordinated supports and services.

### Pooling

Pooling is a strategy for combining a portion of funds from several agencies and programs into a single, unified funding stream. Typically it is accomplished at the state level. For example, to the extent that state and federal requirements allow, state officials may combine a portion of funds from federal block grants and other state programs into block grants to counties and other local entities. Among the significant advantages of pooling is that local grantees have the authority to set their own priorities for the allocation of their share of funding. In addition to covering direct services, pooled dollars can often be used to fund activities such as collaboration, coordination, and program planning, which cannot be funded directly from most categorical funding streams. Moreover, the reporting and paperwork requirements for local grantees may be reduced because they are receiving funding from a single state source.<sup>18</sup>

Many federal funds, especially discretionary grant programs, are not appropriate for pooling because they are restricted and require independent reporting to the federal agencies that administer them. However, some formula or block grants can be pooled. In combination with state program funding, they can create funding sources that provide local communities significant flexibility in spending to meet the needs of young children and their families.

#### **Pooling Funds from State Agencies in Missouri to More Effectively Serve Children and Families**

In Missouri, eight agencies pooled a portion of their funds to fund community partnerships throughout the state. These community partnerships were required to work toward achieving core results for children and families; however, the funds do not restrict them to prescribed services. Since 1995, eight state agencies have combined approximately \$10 million annually in state and federal funds for the Caring Communities Partnerships. The community partnerships, in conjunction with community councils, then further broaden the funding base through local cash and in-kind contributions, as well as state and federal grants and contracts. Some partnerships, such as the Local Investment Commission in Kansas City, have coordinated with state agencies to claim matching entitlement dollars for allowable activities.

Contact: Bill Dent, The Family and Community Trust

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Website: <http://www.mofact.org>

### Coordination

In contrast to pooling funds at the state level, coordination is a community- and program-level strategy for aligning categorical funding from a number of agencies and funding streams to support integrated and coordinated service delivery. Categorical funding streams can be tapped and used in combination to support individual components of comprehensive initiatives. If a community governance entity and individual program managers can develop a comprehensive blueprint for supports and services that are needed to effectively support young children and families, then they can usually marshal funding from a number of sources – federal, state, and local – and bundle them. This can include entitlement funds, formula or block grant funds, and discretionary funds.

Critical to the success of any strategy is a good plan, a good management information system, and a good cost accounting system for tracking expenditures by funding source in order to properly allocate and report them.<sup>19</sup> In most cases, coordinated financing is most effective when additional non-categorical funding is available and can provide the “glue money” to support collaboration and administrative coordination, as well as program components that cannot be funded by existing categorical streams.

### **Coordinating Funds to Support Early Childhood Education**

With welfare reform putting families under pressure to transition to employment, the Mid-Willamette Community Action Agency Head Start program in Salem, Oregon, decided it was important to expand its Head Start services to support full-day, full-year care for children. Because the expansion was aimed at supporting working parents, the program was able to obtain Employment-Related Day Care Funds, as well as funding through the Oregon Prekindergarten Program. The combination of funding is sufficient to cover the costs of providing full-day, full-year services consistent with Head Start quality standards.

The program’s funding strategy was aided by state policies encouraging collaboration. The Oregon Prekindergarten Program utilizes Head Start Performance Standards to make it easier for Head Start programs to expand capacity using state pre-kindergarten funds. In addition, the state Department of Education and the federal Administration for Children and Families have created detailed working agreements to collaborate in funding, monitoring and managing state pre-kindergarten and federally-funded Head Start services in order to minimize administrative burdens on local agencies.

Contact: Jody Burnham, Mid-Willamette Child Care Action Agency  
Phone: (503) 581-1152

Family resource centers are the embodiment of comprehensive, community support systems. They provide safe, comfortable, neighborhood-based settings for children and families. They are entry points for families with young children to gain access to an array of supports and services, including: child care, health and nutrition services, parent education and support, literacy training, emergency services, help in gaining access to income supports, Food Stamps, housing subsidies, and employability training. Because they provide many different programs and services, family resources centers typically rely on a number of discrete funding sources – federal, state, local and private. They often draw down funding from many categorical sources and tie it together with foundation funding or other flexible support that enables them to finance the critical provision and coordination of comprehensive care.<sup>20</sup>

### **Coordinating Funds to Provide Comprehensive Family Support Services**

Vermont's statewide network of 16 Parent-Child Centers serves as an important hub of services for families and children. The centers provide eight core services either directly or through referrals:

- Home visiting;
- Early childhood services;
- Parent education;
- Peer-to-peer support for parents;
- Onsite support services for parents;
- Playgroups;
- Information and referrals for family issues and statewide resources; and
- Community development.

Each of the Parent-Child Centers funds this menu of comprehensive services by piecing together many public and private funding sources. Administrators of state agencies in Vermont recognize the value of the comprehensive, community-based centers and contract with them to provide many services. Parent-Child Centers collaborate with state funding sources on initiatives that include: Healthy Babies, Community-Based Family Resource and Support, Even Start, Success by Six, Family, Infant and Toddler Program, and, the Reach Up Program (Vermont's Welfare to Work Program). Each Parent-Child Center also receives important core funding of approximately \$40,000 through a total state appropriation of over \$750,000. This core funding supports program planning, collaboration, and other activities essential to linking diverse programs. It also helps pay for program activities for which categorical funding is unavailable.

One example of how funds are coordinated at the site level is the Addison County Parent/Child Center which has 38 funding sources, including seven federal sources, 11 state sources, two local public sources, and 18 private sources. These multiple funding streams are combined into one budget and allocated so that families receive seamless services from their center.

Contact: Hilda Green, Vermont Agency of Human Services

Phone: (804) 241-2928

Website: <http://www.ahs.state.vt.us>

### Devolution

Devolution is a strategy for creating more flexibility in existing funding streams by delegating the funding authority from higher to lower levels of authority (e.g., federal to state or state to county). It is both literally and figuratively "passing the buck," with more flexibility for better outcomes. Typically, devolution occurs at the federal and state level. For example, state programs may allocate portions of a funding stream as block grants to county or city-level governments. Devolving funds gives authority to communities to determine their spending priorities. Typically, it also provides more broadly defined uses or purposes for the funds. Devolution frequently

involves trading greater flexibility for local communities to determine how funds will be expended. Additionally, devolution offers greater accountability for achieving agreed upon outcomes for children, youth, and families.

### Decategorization

Decategorization is a strategy for creating more flexibility in categorical funding streams by removing narrow eligibility requirements and rules governing allocations from existing funding streams. Usually, decategorization requires state legislative action. In some cases, this formal legislative action comes at the beginning of the reform process and actually creates the public mandate and impetus for changing the service delivery system. In others, it takes place after a significant period of experimentation and institutionalizes new ways of doing business that have developed quietly over a number of years. By moving decision making to the local level and allowing flexibility in the use of funds previously constrained by categorical restrictions, localities have been able to develop new services for specific populations.<sup>21</sup> The goals of decategorization are to:

1. Emphasize community decision making and planning, rather than state micro-management;
2. Move toward more flexible, less narrowly defined services; and
3. Create incentives for localities to design less costly community-based services rather than expensive intensive treatment.

#### **Decategorizing Health Funds to Deliver Integrated Services**

The Monroe County Health Department in Rochester, New York, decategorized seven funding streams into one Child and Family Health Grant to support the delivery of integrated health services. To reduce administrative burden and fragmentation of services, Health Department administrators negotiated with the state to combine the Early Intervention, Community Health Workers, WIC, Pediatric and Adult Immunizations, Lead Poisoning Prevention, Family Support/Infant Mortality Review, and School Health funding streams into a single grant.

Key to garnering support for decategorization was a shift to accountability for results. State officials were willing to trade off separate and detailed budgets for each of the programs for the establishment of overall goals and the tracking and reporting of outcome data. Decategorization has facilitated integration of services: the Health Department has co-located staff; established a single point of entry and common intake form; and created teams to deliver coordinated services to clients. The administrative benefits are also significant—the county is now responsible for one annual work plan and budget, rather than seven, and uses a single fiscal year for all funding, rather than three separate fiscal years.

Contact: Linda Hartnett, Monroe County Health Department,  
Phone: (585) 530-4205

Where decategorization has been successfully implemented, as many as 30 separate funding streams have been consolidated. Additionally, successful decategorization has resulted in the

shifting of authority from state agencies to local governance entities that represent an array of community stakeholders, including the public agencies and private organizations that receive funding. In Iowa, for example, decategorization has been an effective way of creating a continuum of services for children and youth and redirecting funds from institutional services toward community-based programs. By moving decision making to the local level and allowing flexibility in the use of funds previously constrained by categorical restrictions, counties have been able to develop new services for specific populations.<sup>22</sup> It is important to stress, however, that this financing strategy does not stand alone. It is part of a broader vision of how the child and youth service system should operate. The financing strategy is a vehicle for driving broader systems reform.<sup>23</sup>

#### Considerations

Decategorization is difficult to achieve because it typically requires state legislative action. Categorical funding streams often have strong, vocal constituencies that oppose combining programs or weakening programs that direct funding to targeted or designated populations.

To successfully explore opportunities for creating more flexibility in categorical funding at the local level, local leaders need to work closely with state administrators and program managers, because this strategy requires state approval, and, in some cases, state administration. Local leaders are likely to be most successful if they approach state officials as a coalition and work in cooperation with other community-based collaboratives in order to demonstrate the broad applicability and benefit of more flexible funding.

#### ***Strategy Four: Building public-private partnerships***

Most of the financing strategies presented thus far have focus on public sector investments, and require partnership among public sector leaders at the state, county, and local level. Public-private partnerships are another important category of financing strategies that extend the reach of public sector funding. Partnerships between government, community non-profit organizations, charitable foundations, corporations, and the faith community provide valuable avenues for broadening the base of financial support for community early childhood programs and services and for providing new leadership for these initiatives.

In the past, partnerships between the public and private sectors often amounted to government and the non-profit community going to business leaders with an agenda and seeking financial support. Increasingly, however, effective partnerships are much more mutual, active, and ambitious. Bringing together a wide variety of public and private sector stakeholders can increase leveraging potential, build public will, and widen the technical assistance available to address the needs of young children and their families.

#### Partner to leverage funds

Through public-private partnerships, community leaders have significant opportunities to expand the fiscal foundation for early childhood initiatives. Increasingly, many community-based foundations and business leaders, as well as large national corporations and foundations, see early child development and family support as important and productive investments – ones that have significant pay-off in the quality of life in their communities and for businesses' bottom line. Private organizations can become valuable allies who may help in acquiring funds through third parties by demonstrated partnerships and collaborations. Additionally, cultivating mutual relationships around particular early childhood issues can lead to direct private support although this may take time to cultivate.

### **Using Public Dollars to Leverage Private Investment in Child Care**

The San Francisco Child Care Facilities Fund (CCFF) has used public sector dollars to leverage both foundation and business investment to support the development and renovation of child care facilities. Launched in January 1998, the CCFF was created by the San Francisco Board of Supervisors to create new child care facilities (center- and home-based) to meet the increasing demand for child care in the wake of welfare reform.

The Board of Supervisors initially allocated \$200,000 in city funds to support the project and increased their allocation to \$600,000 for the second year of the project. In addition, a city developer fee that has existed since 1985 provides sustainable public funding for CCFF. The developer fee is generated through a law requiring that any new office or hotel building include space for a child care center, or developers must pay a fee to the Child Care Capital Fund. A portion of the Child Care Capital Fund goes to the CCFF. Fund administrators have used these public investments to leverage investments from foundations such as the Miriam and Peter Haas Fund, as well as a major consumer lender, The Providian Financial Corporation. Providian Financial Corporation's investment in the fund helps Providian to meet the requirements of the Community Reinvestment Act (CRA). The CRA is a federal law requiring banks to help meet the credit needs of the local communities in which they are chartered. The CCFF provides a win-win opportunity – Providian benefits from the opportunity to make investments that meet CRA requirements and the city as a whole benefits from increased development of child care facilities.

The CCFF offers small grants to family child care providers to meet one-time capital expenses, such as minor renovations necessary for licensing requirements. It also offers low-cost loans to improve the quality, safety, and overall environment of centers. Recipients of funds also receive technical assistance in the areas of facilities renovation and business management skills.

Contact: Renu Nanda, San Francisco Child Care Facilities Fund  
Phone: (415) 772-9094

### Partner to foster leadership and champions

Establishing a broad and unified constituency in favor of comprehensive early childhood supports and services can help to leverage funds as well as a willingness to implement innovative reforms. Beyond presenting new opportunities to generate private sector financial support, public-private partnerships create valuable opportunities to build new leadership for early childhood investments. Business leaders, community leaders, foundation executives, and religious leaders can be influential spokespersons. Their involvement in community initiatives can provide visibility and credibility that is critical to building a broad base of support, including financial support. Their willingness to speak out can call needed attention to the importance of early child development and can significantly influence the behavior of parents, employees, employers, and government agencies. Their policies and practices as employers and active community leaders can also serve as a convincing model for their peers.

### **Engaging Business Leaders to Increase the Availability of Quality Child Care**

Business leaders in Florida are expanding the reach of state child care subsidies and providing new leadership on child care issues through the Child Care Executive Partnership (CCEP). The initiative originated with research funded by a federal grant showing that employees who receive subsidized child care in Florida are clustered in industries such as banking, fast food, retail, and temporary services. These findings were presented to key legislators, gubernatorial staff, and employers, and led to the creation of the CCEP in 1996. Employers may participate in the initiative in two ways:

1. An employer may make a donation to subsidize child care for its own employees, which automatically moves the employee off the waiting list to receive a state subsidy for child care; or
2. An employer may make a charitable donation to a purchasing pool that funds child care subsidies for families in the community. Local purchasing pools exist in 44 of Florida's 67 counties.

All donations by employers are matched by the state using Child Care and Development Fund dollars.

Besides providing funding for child care subsidies, the CCEP has become a "new messenger" in the campaign to raise awareness of child care issues. The CCEP's Board is active in reviewing existing policies and making recommendations on how to improve child care licensing, the coordination of child care and prekindergarten programs, and the encouragement of family-friendly workplaces.

Contact: Florida Children's Forum  
Phone: (850) 681-7002  
Website: <http://www.fcforum.org>

#### Partner to maximize non-monetary resources

Public-private partnerships also create opportunities for sharing knowledge, skills, and technical resources that are needed to create and sustain an effective system of supports and services for young children and their families. This can take a variety of forms. In some cases businesses share their management, accounting, management information systems, and administrative skills and expertise to help community partnerships develop the underlying infrastructure for comprehensive community systems. They can also help link the creation, expansion, and improvement of community programs and services to state and community economic development initiatives. Moreover, they can help organize and coordinate participation from the business community through business commissions, roundtables, and blue-ribbon committees.<sup>24</sup>

Partnerships, government, and community organizations also provide technical assistance that is valuable to business leaders and community employers. They can link employers with child care resource and referral organizations that offer both expertise and data to help employers create and implement appropriate child care options for their employees.

They can help employers and business organizations design surveys of community service needs (e.g., for child care and family support services). They can develop informational materials and “toolkits” for employers and employees to help them gain access to community programs and services. And they can sponsor public awareness campaigns.<sup>25</sup>

### **Sharing Expertise through Public-Private Partnership**

The Maryland Child Care Resource Network is an example of how businesses, government, and community organizations can share expertise and skills to create mutual benefits.

In 1988, Maryland business leaders’ concerns about child care led to the creation of the Employers’ Advisory Council on Child Care. The Council, which included leaders of many major businesses in Maryland, was asked by the governor to study existing child care resources and make recommendations for improvements. Over the course of a year, the Council completed an assessment of Maryland’s child care delivery system, compared it to national models, and proposed a public-private partnership to create a child care resource and referral network across Maryland. They proposed establishing a Statewide Child Care Resource Center and three Regional Child Care Resource Centers during a three-year demonstration phase. The Child Care Resource Centers would provide child care referral information to parents and technical assistance to potential child care providers and employers. The Maryland General Assembly approved the proposal, with one-third of the funding for the project raised by the Employers’ Council and the remainder allocated by the state. Due to the success of the network in its first three years, the General Assembly funded the network beyond the demonstration phase, and in 1997 the Assembly approved funding to add ten regional centers to the original three.

The involvement of business leaders in the initiative had both political and programmatic implications. Politically, the clout of the Employer’s Advisory Council helped to garner quick support from the Maryland General Assembly for Council recommendations. Programmatically, the Council placed emphasis on clear definitions, consistent delivery of core services, quality standards, and data collection. Now that the network is established, it offers a range of technical assistance services that help employers understand and respond to their employees’ child care needs.

Contact: Frank Blanton, Maryland Committee for Children  
Phone: (410) 752-7588  
Website: <http://mdchildcare.org/mdcfc/mcc.html>

### Considerations

- ✓ Thorough planning at the outset of a partnership initiative is well worth the time it requires. It helps avoid mistakes or limit their damage; build and strengthen relationships among partners; maintain focus and keep the big picture in view; and convince funders,

politicians, the public, and other critical groups of the dedication of the partners and the viability of the initiative.

- ✓ All partners need to be actively involved in defining the goals and agenda of a public-private partnership for an early childhood development system. Collectively defining goals gives all partners ownership and increases the likelihood that they will stay committed over the long run. If all partners are committed to the same goals, they are better equipped to negotiate the inevitable differences of perspective and opinion that arise as they work together. Likewise, if the goals are held firm, the partnership can be flexible in how they are accomplished, which will help the partnership evolve in the face of political, economic or other changes.
- ✓ An effective governance structure is essential for the successful management of the partnership. The public and private sector have fundamentally different cultures. To overcome these differences, effective governance structures define the various roles that partners will play and ensure that all partners understand and accept these roles. Such mutually agreed-upon guidelines can prevent miscommunication and establish a process in which all partners are respected for their unique contributions. Guidelines also provide a mechanism to resolve inevitable differences of opinion.

## **Conclusion**

With increasing pressure at all levels of government to control costs and improve the effectiveness and equity of supports and services for children and their families, there will be strong incentives for public officials and community program developers to find more creative ways to finance family and children's services. These will include efforts to be more effective and efficient in raising public revenues and create public-private partnerships to attract private investment. They will also include efforts to focus decision making regarding the allocation of public and private resources on desired results for children, their families, and communities.

Despite the urgency that many state and local leaders feel, reforming financing systems will be a slow and incremental process. Changing the ways public and private resources are raised and distributed challenges everyone's special interests—community leaders, public agency officials, service providers, and taxpayers. In many cases, children's advocates have been among the staunchest defenders of the status quo. Many service providers, who have come to depend on narrowly defined, categorical program funding, have been reluctant to explore new financing ideas, other than earmarked revenues that can be specifically targeted to their programs. Those that have traditionally depended solely on one public or private funding source are often reluctant to move toward a broader portfolio of funding for their programs and services. Yet the future of community-based family and children's services, and ultimately America's future, will depend in large part on informed, collaborative efforts to create more robust and productive financing strategies that are aligned with the nation's and every community's goals for meeting the needs of its children and their families.

## **APPENDICES**

## Appendix A: Federal Funding Sources for Early Childhood Supports and Services

<b>Program</b>	<b>Federal Administering Agency</b>	<b>FY 2002</b>
<i>Head Start</i>	<i>Health and Human Services</i>	<i>\$ 6.5 billion</i>
<i>Child Care and Development Fund</i>	<i>Health and Human Services</i>	<i>\$ 4.8 billion</i>
<i>Temporary Assistance to Needy Families (TANF)</i>	<i>Health and Human Services</i>	<i>\$ 4 billion</i>
<i>Preschool Grants Program</i>	<i>Education</i>	<i>\$ 500 million</i>
<i>Even Start</i>	<i>Education</i>	<i>\$ 250 million</i>
<i>Title I</i>	<i>Education</i>	<i>\$ 200 million</i>
<i>Social Services Block Grant</i>	<i>Health and Human Services</i>	<i>\$ 165 million</i>
<i>Early Reading First</i>	<i>Education</i>	<i>\$ 75 million</i>
<i>Grants for Infants</i>	<i>Education</i>	<i>\$ 51 million</i>

Fifty-nine federal programs have been identified as providing funding for early childhood supports and services. The following list is an index that categorizes the programs according to five major types of services that they can support:

- Basic Needs
- Family Support
- Child Development and Preschool Education
- Health and Mental Health
- Infrastructure

The list provides a brief description of the major function of each program. For a more detailed description including the application process, matching requirements, and contact information, see the Finance Project publication, *Federal Funding for Early Childhood Supports and Services: A Guide to Sources and Strategies*.

### ***Entitlement Programs***

The following programs have open-ended appropriations that provide funding to serve all children and families that meet the program's eligibility criteria. Generally, the federal funds provide a "match" or reimbursement for public expenditures and flow to the state agency that administers the program. These programs are important because they can provide a sustainable source of funding for programs. Close coordination with the administering state agency is necessary to access funding under these programs.

- *Adoption Assistance (Title IV-E)* – Provides funding to subsidize the costs of adopting children with special needs and to support related training and administrative costs.
- *Child and Adult Care Food Program* – Reimburses eligible institutions (including child care providers) for the cost of nutritious meals and snacks provided to children in nonresidential day care programs.
- *Foster Care (Title IV-E)* – Provides funding to support the daily cost of foster care, training, and related costs such as clothing, incidentals, and child care costs, as well as preventive services. Also provides funding for related administrative costs.
- *National School Lunch Program* – Funds are used to reimburse institutions for meals served to children in families that are income eligible. Meal supplements may be paid to after-school care programs.
- *School Breakfast Program* – Funds are used to reimburse participating schools for breakfasts served to income eligible children.
- *Summer Food Service Program for Children* – Funds are used to reimburse institutions which provide free meals to children (generally May through September) in areas where at least 50 percent of the children meet income eligibility for free and reduced lunch.
- *Supplemental Security Income (SSI)* – Funds are used to make payments to individuals age 65 or older, or to individuals of all ages who are blind or disabled.
- *Title XIX (Medicaid)* – Provides funding to states for medical assistance for low-income eligible individuals. Medicaid also provides funding for administrative functions, including outreach to eligible families.

#### ***Formula (or block) Grants***

These programs have capped appropriations that provide a fixed amount of funding to states or localities based on established formulas, which vary from grant to grant but generally require a state match. Some of these grants allow states considerable flexibility in determining how funds are allocated while others are more prescriptive.

- *Child Abuse and Neglect State Grant Program* – Funds child welfare activities such as intake, assessment, and ongoing case management.
- *Child Care and Development Block Grant (Discretionary Fund)* – Provides funding to develop child care programs and policies. These funds are primarily targeted to families with children under age 13 whose income is less than 85 percent of the state median income.
- *Child Care and Development Fund (Mandatory and Matching Funds)* – Provides funding to develop child care programs and policies. These funds are primarily targeted to families with children under age 13 whose income is less than 85 percent of the state median income. States must use at least 70 percent of these funds to assist families who are transitioning off of TANF or who are at-risk of becoming dependent on assistance programs.
- *Child Welfare Services – State Grants (Title IV-B)* – Provides funding to support child welfare services including child protective services, prevention, and reunification.

- *Community Services Block Grant (CSBG)* – Provides funds to states that must be sub-granted to not-for-profit organizations to provide services that address the causes of poverty. Funds can support activities that remove obstacles to self-sufficiency for low-income families and that promote youth development. (Note: Project grants are also available under this program for community economic development, rural community development, and neighborhood innovation projects.)
- *Community-Based Family Resource and Support Grants* – Funds are used to assist states in developing and implementing comprehensive systems of community-based family resource and support services or to expand and enhance preexisting systems.
- *Cooperative Extension Service* – Provides funding to designated land-grant institutions to create programs that help people and communities to improve their own lives. (Note: Project grants are also periodically available under this program.)
- *Education for Homeless Children and Youth* – Funds may be used for a variety of activities to ensure educational success for homeless children, such as providing school supplies, tutorial programs, and enrichment programs.
- *Family Preservation and Support Services (Title IV-B.2)* – Funds may be used to support community-based family support services that promote the safety and well-being of children and families through enhanced family functioning and child development.
- *Family Violence Prevention and Services (Grants to States and Indian Tribes)* – Funds are used to prevent family violence and to provide shelter and related assistance to victims of family violence.
- *Homeless Children Nutrition Program* – Reimburses state, city, or local governments, other public entities, and private non-profit organizations for providing meals to homeless children.
- *Maternal and Child Health Services Block Grant (Title V)* – Provides funds to states to develop systems of care to provide health services and related activities for pregnant women, infants, mothers, and children.
- *Migrant Education (Basic State Grant Program)* – Provides funds to support educational programs for children whose parents are migratory agricultural workers or fishers who move across school district lines to obtain seasonal employment.
- *Refugee and Entrant Assistance (Targeted Assistance)* – Provides funds to support employment-related activities and other social services for refugees.
- *Social Services Block Grant (Title XX)* – Provides funding for a range of services that prevent, reduce, or eliminate dependency and promote self-sufficiency; prevent neglect and abuse of children and adults; and prevent or reduce inappropriate institutional care.
- *Temporary Assistance to Needy Families (TANF)* – The program that replaced the entitlement program AFDC. TANF can be used to support a range of services that promote self-sufficiency for low-income families.
- *Special Education Preschool Grants* – Provides funds to state education agencies to support a

free appropriate public education to preschool children with disabilities.

- *Special Education Grants for Infants and Families with Disabilities* – Provides funding to states to support early intervention services for infants and toddlers with disabilities and their families.
- *Special Milk Program for Children* – Reimburses participating institutions for milk consumed by students. Institutions such as public and private non-profit pre-kindergarten, child care centers, public and private non-profit schools, and summer camps may participate.
- *State Children's Health Insurance Program (Title XXI, CHIP)* – Provides states and territories with funds to initiate and expand child health coverage to uninsured, low-income children. Up to 10 percent of funds may be spent on non-benefit activities that include outreach and administration.
- *Title I - Grants to Local Education Agencies* – Provides funds to help local education agencies and schools improve results for children who are most at-risk of failing to meet state academic standards.
- *WIC (Special Supplemental Nutrition Program for Women, Infants, and Children)* – Provides funds to pay for supplemental foods, nutrition education, and health care referrals for income eligible pregnant and postpartum women and children up to five years of age.

#### ***Discretionary (or Project) Grants***

These programs have capped appropriations for specific project grants awarded on the basis of competitive applications. Depending on the provisions of the program, applicants may be a state or local, public or private entity. While some discretionary grants (for example, Head Start), are well established and strongly supported, many are smaller, time-limited programs that do not offer sustainable funding. A growing number of discretionary grant programs require collaborative efforts by a consortium of community agencies and organizations.

- *Abandoned Infants* – Funds family support services, such as respite care and home visiting, to prevent the abandonment of infants and young children.
- *Child Care Access Means Parents in School Program* – Provides funds to institutions of higher education to establish campus-based child care programs that support low-income parents in completing post-secondary education.
- *Childhood Lead Poisoning Prevention Programs* – Provides funding to state health departments or other relevant state agencies for prevention and monitoring of childhood lead poisoning in communities with demonstrated high-risk populations.
- *Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances* – Provides funds to states to support a community-based system of care for children and adolescents suffering from serious emotional disturbances and their families.
- *Early Head Start* – Funds comprehensive child development and family support services for low-income families with children under the age of three.
- *Emergency Medical Services for Children* – Provides funds to states and schools of medicine

to expand and improve emergency medical services to children in need of treatment for trauma or critical care.

- *Even Start (Indian Tribes and Tribal Organizations)* – Provides funds to Indian tribes and tribal organizations for family literacy programs that integrate early childhood education, adult literacy or adult basic education, and parenting education. The program is targeted to low-income families with children aged seven and younger and parents with a low level of adult literacy or proficiency in English.
- *Even Start (Migrant Education)* – Provides funds to state, local, and private non-profit agencies for family literacy programs that integrate early childhood education, adult literacy or adult basic education, and parenting education. The program is targeted to families with children aged seven and younger and parents who are migratory agricultural workers or fishers with a low level of adult literacy or proficiency in English.
- *Even Start (State Educational Agencies)* – Provides funds to state education agencies to work in collaboration with community organizations to create family literacy programs that integrate early childhood education, adult literacy or adult basic education, and parenting education. This program is targeted to low-income families with children aged seven and younger and parents with a low level of adult literacy or proficiency in English.
- *Family Support Model Demonstration Projects (under the Projects of National Significance Program)* – Funds are used to develop and implement comprehensive systems of family support for families of children with disabilities or expand and enhance preexisting systems.
- *Foster Grandparent Program* – A Corporation for National Service program that supports stipends for income-eligible individuals 60 years or older who serve infants, children, and youth with special or exceptional needs.
- *Goal 2000 Parental Assistance Program* – Provides grants to nonprofit organizations and nonprofit organizations in consortia with local education agencies to establish parental information and resource centers that help parents to better understand and address their children’s developmental and educational needs.
- *Head Start* – Provides funding to public entities and private non-profit agencies to provide comprehensive educational, social, nutritional, and health services to low-income preschool age children and their families.
- *Health Center Grants for the Homeless* – Provides grants to public entities and private non-profit organizations to provide outreach, information, and primary health care to homeless individuals.
- *Healthy Schools, Healthy Communities* – Provides funding to public and private non-profit community-based health care entities to establish school-based health centers which provide comprehensive primary and preventive health care services.
- *Healthy Start Initiative* – Provides funding to public and private-non profit organizations aimed at reducing infant mortality through comprehensive, community-oriented approaches to improving low-income women’s access to quality, early prenatal care.
- *HIV Demonstration Program for Children, Adolescents, and Women* – Provides funding to

primary care providers that are public or non-profit entities for activities to support, improve, and expand the system of comprehensive care services for children, youth, women, and families who are infected with or affected by HIV and AIDS.

- *Indian Child Welfare Act (Title II Grants)* – Provides funding to Indian Tribal governments to support child welfare services that promote the stability and security of Indian tribes and families.
- *Public and Indian Housing Drug Elimination Program* – Provides funds to public housing authorities and tribes for activities to reduce drug abuse in public housing. Funds may be used for a variety of activities including drug abuse prevention, referral, and treatment.
- *Safe Schools/Healthy Students Initiative* – Provides funds to local education agencies to support services that help students develop skills and emotional strength to promote positive mental health. Examples of activities include social skill building, mentoring, student assistance, family therapy, and staff professional development.
- *Safe Start Demonstration Project* – A project administered by the Department of Justice with the purpose of reducing and preventing the impact of family and community violence on young children. Project funds are granted to state and local public agencies on behalf of a community-based collaborative to develop a comprehensive service delivery system to assess, address, and prevent children’s exposure to violence.
- *Social Services Research and Demonstration Grants* – Provides funds to governmental entities, colleges, non-profit and for profit organizations for innovative research, demonstrations, and evaluations that address family self-sufficiency, healthy development, and the greater social well-being of children and families.
- *Special Education Personnel Preparation to Improve Services and Results for Children with Disabilities* – Provides funds to state and local education agencies, institutions of higher education, private non-profits, and tribes to ensure that personnel working with children with disabilities have the necessary skills and knowledge to do so effectively.
- *Twenty-First (21<sup>st</sup>) Century Community Learning Centers* – Provides funds to rural or inner-city public elementary or secondary schools, a consortia of such schools, or local education agencies to provide an array of education, health, social service, recreational, and cultural programs which include extended learning opportunities.

### ***Direct Payments***

These programs have capped appropriations that support direct assistance to individual beneficiaries who satisfy federal eligibility requirements. (Note: there are also some entitlement programs that are direct payment programs, for example supplemental security income. For the purposes of this paper, we have listed all programs with uncapped appropriations under entitlements).

- *Family Unification Program* – A HUD program that provides funding for rental vouchers to promote family unification. Families whose lack of adequate housing is the primary factor in out-of-home placement of children are eligible.
- *Food Stamps* – Provides eligible families with food stamps benefits which may be used in

participating retail stores to buy food for personal consumption. Also provides funding for administration, including nutrition education.

- *Indian Social Services (Child Welfare Assistance)* – Provides funds to pay for foster care (in a home or non-medical institution) and for other special needs relating to the care of a child.
- *Refugee and Entrant Assistance State Administered Programs* – Provides funds for maintenance, medical assistance, and social services for the purposes of resettlement for refugees.
- *Section 8 Rental Certificates/Vouchers* – Provide rental assistance payments to participating owners for safe and sanitary housing for low-income families.

## Appendix B: Template for Funding Comprehensive Early Childhood Services

<b>Function/Activities</b>	<b>Possible Funding Sources</b>
Information and Referral	<ul style="list-style-type: none"> <li>• Medicaid (Title XIX)</li> <li>• Community Outreach Partnership Center Program</li> <li>• Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)</li> <li>• Temporary Assistance to Needy Families (TANF)</li> <li>• Social Services Block Grant (Title XX of SSA)</li> </ul>
Child Care and Preschool Education	<ul style="list-style-type: none"> <li>• Child Care and Development Block Grant</li> <li>• Head Start</li> <li>• Early Head Start</li> <li>• Even Start</li> <li>• Migrant Education</li> <li>• Special Education: Grants for Infants and Families with Disabilities and Preschool Grants</li> <li>• State Preschool</li> <li>• Temporary Assistance to Needy Families (TANF)</li> <li>• Title I Grants to Local Education Agencies</li> </ul>
Parent Education/ Family Support	<ul style="list-style-type: none"> <li>• Adult Education (Federal and State)</li> <li>• Even Start</li> <li>• Goals 2000: Parental Assistance Program</li> <li>• Social Services Block Grant (Title XX of SSA)</li> <li>• Welfare to Work Grants</li> </ul>
Health and Mental Health	<ul style="list-style-type: none"> <li>• Medicaid (Title XIX)</li> <li>• State Children’s Health Insurance Program</li> <li>• Maternal and Child Health Block Grant</li> <li>• WIC</li> <li>• Head Start</li> <li>• Comprehensive Community Mental Health Services</li> </ul>
Infrastructure/ Administrative*	<ul style="list-style-type: none"> <li>• 21<sup>st</sup> Century Community Learning Centers</li> <li>• Healthy Start</li> <li>• Medicaid (Title XIX)</li> </ul>

\* Note: Most of the listed programs are not focused directly on infrastructure support and development; some will, however, allow a certain amount of funding to be directed to administrative costs and activities such as case management. Consult the individual programs for greater detail.

## Appendix C: Other Resources

This section highlights an array of other research papers, reports, and policy tools that are available from The Finance Project and from other groups that can help the SECCS partners as they develop financing plans for their communities.

### ***Publications:***

*A Stitch in Time: Calculating the Costs of School Unreadiness*, by Charles Bruner, Washington, DC: The Finance Project (2002)

*Blending and Braiding Funds to Support Early Care and Education Initiatives*, by Margaret Flynn and Cheryl D. Hayes, Washington, DC: The Finance Project (2003)

*Breaking New Ground: A Financial Strategy for a Governance Partnership*. Washington, DC: Center for the Study of Social Policy (1998).

*Building for the Future: A Guide to Facilities Loan Funds for Community-based Child and Family Services* by Carl Sussman. Washington, DC: The Finance Project (1999).

*Building Villages to Raise our Children: Funding and Resources*. Cambridge, MA: The Harvard Family Research Project (1993).

*Capturing Cash for Kids: A Workbook for Reinvesting in Community Based Prevention Approaches for Children and Families* by Marty Giffin, Abram Rosenblatt, Nancy Mills, and Mark Friedman. Sacramento, CA: The Comprehensive Integrated Services Reinvestment Project of the Foundation Consortium (1998).

*Compendium of Comprehensive Community-Based Initiatives: A Look at Costs, Benefits, and Financing Strategies* by Cheryl D. Hayes, Elise Lipoff, and Anna Daneggar. Washington, DC: The Finance Project (1995).

*Creating Dedicated Local Revenue Sources for Early Care and Education Initiatives* by Barbara Langford. Washington, DC: The Finance Project (1999).

*Federal Funding for Early Childhood Supports and Services: A Guide to Sources and Strategies* by Hansine Fisher with Carol Cohen, and Margaret Flynn. Washington, DC: The Finance Project (Summer 2000).

*Financing Child Care in the United States: An Illustrative Catalog of Current Strategies* by Anne Mitchell, Louise Stoney, and Harriet Dichter. The Ewing Marion Kauffman Foundation and the Pew Charitable Trusts (1997).

*Financing Family Resource Centers: A Guide To Sources and Strategies* by Sara Watson and Miriam Westheimer. Washington, DC: The Finance Project and Carnegie Corporation of New York (2000).

*Financing Services for Young Children and Their Families: Meeting the Challenges of Welfare Reform* by Cheryl D. Hayes. Washington, DC: The Finance Project (1997).

- The Future of Children: Financing Child Care* by the Center for the Future of Children. Los Altos, CA: The David and Lucille Packard Foundation (1996).
- A Guide to Successful Public-Private Partnerships for Child Care*, The Child Care Partnership Project. Washington, DC: U.S. Child Care Bureau (1999).
- Getting to the Bottom Line: State and Community Strategies for Financing Comprehensive Community Service Systems*. Falls Church, VA: National Center for Service Integration, Resource Brief # 4 (1993).
- The Implementation of Proposition 10: The California Children and Families First Act of 1998*. Sacramento, CA: California Budget Project Budget Brief (March 1999).
- Investing in Children and Families: Iowa's Efforts to Generate Funds to Reform Child Welfare Services*. Washington DC: The Center for the Study of Social Policy (1994).
- Investing in our Children's Care: An Analysis and Review of State Initiatives to Strengthen the Quality and Build the Supply of Child Care Funded Through the Child Care and Development Block Grant* by Helen Blank. Washington, DC: Children's Defense Fund (1993).
- Looking into New Mirrors: Lessons for Early Childhood Finance and System-Building* by Louise Stoney. Boston, MA: The Horizons Initiative (1998).
- Making Child Care Better: State Initiatives* by Scott Groginsky, Susan Robison, and Shelley Smith. Washington, DC: National Conference of State Legislatures (1999).
- Making Space for Children: A Toolkit for Starting a Child Care Facilities Fund*. Washington, DC: The Finance Project and Carnegie Corporation of New York (2000).
- Money Matters: A Guide to Financing Quality Education and Other Children's Services*. Washington, DC: The Finance Project (1997).
- Not by Chance: Creating an Early Care and Education System for America's Children* by S. Kagan and N Cohen. New Haven, CT: Bush Center in Child Development and Social Policy (1997).
- Reforming Finance for Family and Children's Services* by Mark Friedman. Sacramento, California: Foundation Consortium (2000).
- Serving Families and Youth through the Temporary Assistance to Needy Families Block Grant Issue Brief*. Washington, DC: National Governor's Association (February 4, 2000).
- State Networks of Local Comprehensive Community Collaboratives: Financing and Governance Strategies*, Carol Cohen, Washington, DC: The Finance Project (2003)
- Starting Points: Meeting the Needs of our Youngest Children*. New York: Carnegie Corporation of New York (1994).

*Stepping Up: Financing Early Care and Education in the 21<sup>st</sup> Century, Volume I*, a publication of four papers commissioned for *Making it Economically Viable: Financing Early Care and Education*, a working meeting hosted by the Ewing Marion Kauffman and David and Lucille Packard Foundations (March 1999).

*Supporting Early Childhood Initiatives: Legislative Strategies for Everyday People*, Lynn DeLapp, Washington, DC: The Finance Project (2003)

*Temporary Assistance for Needy Families and Healthy Families America: Accessing a New Funding Source*. Chicago, IL: Prevent Child Abuse America (1999).

*Thinking Broadly: Financing Strategies for Comprehensive Child and Family Initiatives* by Cheryl D. Hayes, Washington, DC: The Finance Project, (2002)

*Toward Systemic Reform: Service Integration for Young Children and Their Families* by Sharon L. Kagan, Stacie G. Goffin, Sarit A. Golub, and Eliza Pritchard. Falls Church, VA: National Center for Service Integration (1995).

*Using TANF to Finance Out-of-School Time and Community School Initiatives: Strategy Brief* by Margaret Flynn. Washington, DC: The Finance Project (October 1999).

*Using Tobacco Settlement Revenues for Children's Services: State Opportunities and Actions* by Lee Dixon, Patrick Johnson, Nicole Kendell, Carol Cohen, and Richard May. Washington, DC: The Finance Project (1999).

### ***Federal Sources:***

THE CATALOG OF FEDERAL DOMESTIC ASSISTANCE: A government-wide database of U.S. federal programs, services, and activities. The CFDA details eligibility requirements, goals, application process, and award process of federal funds. The CFDA is published on-line, on CD-ROM, and in print.

Federal Domestic Assistance Catalog Staff (MVS)  
General Services Administration  
300 7<sup>th</sup> Street, SW, Suite 101  
Washington, DC 20407  
(202) 708-5126  
<http://www.gsa.gov/fdac>

THE FEDERAL REGISTER: The Federal Register is a legal newspaper published every business day by the National Archives and Records Administration (NARA). It contains announcements of the availability of grants and proposed rules and regulations for federal programs. It is distributed in paper, on microfiche and on-line.

Superintendent of Documents  
PO Box 371954  
Pittsburgh, PA 15250-7954  
(202) 512-1800  
<http://www.gpoaccess.gov/nara/>

GRANTSNET: An on-line tool for finding and exchanging information about the U.S. Department of Health and Human Services and selected other federal grant programs. The web

site provides information on how to find federal grant information, how to apply, administering grants, and other useful resources.

200 Independence Ave., SW  
Washington, DC 20201  
(877) 696-6775  
<http://www.hhs.grantsnet>

THE GREEN BOOK: BACKGROUND MATERIAL AND DATA ON PROGRAMS WITHIN THE JURISDICTION OF THE COMMITTEE ON WAYS AND MEANS: Published yearly, the Green Book provides an overview of federal funding programs with a wealth of information including background information, data on recent trends, legislative history and requirements, and state-by-state allocations.

<http://waysandmeans.house.gov/>

***Organization:***

CENTER FOR LAW AND SOCIAL POLICY

1015 15<sup>th</sup> St, NW  
Suite 400  
Washington, DC 20005  
(202) 906-8000  
<http://www.clasp.org>

THE CENTER FOR THE STUDY OF SOCIAL POLICY

1575 Eye St., NW, Suite 500  
Washington, DC  
(202) 371-1565  
<http://www.cssp.org>

CENTER ON BUDGET AND POLICY PRIORITIES

820 First St., NE, Suite 510  
Washington, DC 20002  
(202) 408-1080  
<http://www.cbpp.org>

CHILDREN'S DEFENSE FUND

25 E Street NW  
Washington, DC 20001  
202-628-8787  
<http://www.childrensdefense.org>

CHILD & FAMILY POLICY CENTER

218 Sixth Avenue, Suite 1021, Fleming Building  
Des Moines, Iowa 50309  
(515) 280-9027  
<http://www.cfpciowa.org>

THE DAVID AND LUCILE PACKARD FOUNDATION

CENTER FOR THE FUTURE OF CHILDREN

300 Second Street, Suite 200  
Los Altos, CA 94022

(650) 917-7110  
<http://www.futureofchildren.org>

THE FINANCE PROJECT  
1401 New York Avenue, NW, Suite 800  
Washington, DC 20005  
(202) 587-1000  
<http://www.financeproject.org>

FISCAL POLICY STUDIES INSTITUTE  
7 Avenida Vista Grande #10  
Santa Fe, NM 87508  
(505) 466-3284  
<http://www.resultsaccountability.com>

HARVARD FAMILY RESEARCH PROJECT  
3 Garden Street  
Cambridge, MA 02138  
(617) 495-9108  
<http://www.gse.harvard.edu/~hfrp>

NATIONAL CENTER FOR CHILDREN IN POVERTY  
215 West 125<sup>th</sup> Street, 3<sup>rd</sup> Floor  
New York, NY 10027  
<http://www.nccp.org>

THE NATIONAL CHILD CARE INFORMATION CENTER (NCCIC)  
301 Maple Avenue West  
Vienna, VA 22180  
(800) 616-2242  
<http://www.nccic.org>

NATIONAL CONFERENCE OF STATE LEGISLATURES (NCSL)  
1560 Broadway, Suite 700  
Denver, CO 80802  
(303) 830-2200  
<http://www.ncsl.org>

NATIONAL GOVERNORS ASSOCIATION (NGA)  
444 North Capitol Street, NW, Suite 250  
Washington, DC 20001  
(202) 624-5300  
<http://www.nga.org>

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<sup>1</sup>Hayes Cheryl D. *Financing Services for Young Children and Their Families: Meeting the Challenges of Welfare Reform*. Washington, DC: The Finance Project; 1997.

<sup>2</sup>Kagan Sharon L, Goffin Stacie G, Golub Sarit A, Pritchard Eliza. *Toward Systemic Reform: Service Integration for Young Children and Their Families*. Falls Church, VA: National Center for Service Integration; 1995.

<sup>3</sup>Hayes Cheryl D, Lipoff Elise, Anna Danegger. *Compendium of Comprehensive Community-based Initiatives: A Look at Costs, Benefits, and Financing Strategies*. Washington, DC: The Finance Project; 1995.

<sup>4</sup> Section 1.2 of the FY 2003 Guidance for the State MCH Early Childhood Comprehensive Systems Grants.

<sup>5</sup> Ibid. Section 1.5

<sup>6</sup> Farrow Frank, Bruner Charles, *Getting to the Bottom Line: State and Community Strategies for Financing Comprehensive, Community Service Systems*. Washington, DC: National Center for Service Integration Resource Brief #4; 1993.

<sup>7</sup> [www.financeproject.org](http://www.financeproject.org)

<sup>8</sup>Watson Sara, Westheimer Miriam. *Financing Family Resource Centers: A Guide to Sources and Strategies*. Washington, DC: The Finance Project and Carnegie Corporation of New York; 2000.

<sup>9</sup>Foundation Consortium, *Capturing Cash for Kids: A Workbook for Reinvesting in Community Based Prevention Approaches for Children and Families*. Sacramento, CA: Foundation Consortium; 1998.

<sup>10</sup> Ibid.

<sup>11</sup>Fisher Hansine, Cohen Carol, Flynn Margaret. *Federal Funding for Early Childhood Supports and Services: Sources and Strategies*. Washington, DC: The Finance Project; 2000.

<sup>12</sup> Ibid.

<sup>13</sup>Ibid.

<sup>14</sup>Mark Friedman . *Reforming Financing for Family and Children's Services*. Sacramento, CA: Foundation Consortium Policy Brief; January 2000.

<sup>15</sup>Ibid.

<sup>16</sup>Center for the Study of Social Policy. *Breaking New Ground: A Financial Strategy for a Governance Partnership*. Washington, DC: Center for the Study of Social Policy; 1998.

<sup>17</sup> Ibid.

<sup>18</sup>Fisher Hansine, Cohen Carol, Flynn Margaret. *Federal Funding for Early Childhood Supports and Services: A Guide to Sources and Strategies*. The Finance Project; June 2000

<sup>19</sup>Center for the Study of Social Policy, *Breaking New Ground: A Financial Strategy for Governance Partnership*.

<sup>20</sup>Watson Sara, Westheimer Miriam. *Financing Family Resource Centers: A Guide to Sources and Strategies*. Washington, DC: The Finance Project and Carnegie Corporation of New York; 2000.

<sup>21</sup>Farrow Frank, Bruner Charles. *Getting to the Bottom Line*.

<sup>22</sup>Ibid.

<sup>23</sup>Ibid.

<sup>24</sup>The Child Care Partnership Project. *A Guide to Successful Public-Private Partnerships for Child Care*. Washington, DC: U.S. Child Care Bureau; 1999.

<sup>25</sup>Ibid.