

Strategic Financing For Early Care and Education Systems

RTT-ELC Sustainability Peer Learning Exchange
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Financing Quality

- Balance Revenue Sources - increase public investment (and private) to reduce burden on families
 - Increase state/local public education \$ in PK
- Quantify the cost of quality – and understand what drives it
- Consider full range of finance strategies
- Structure strategies to address multiple goals
 - Increase efficiency of resources
 - Increase revenue
 - Increase stability/sustainability



Strategic Financing

5 Key Steps:

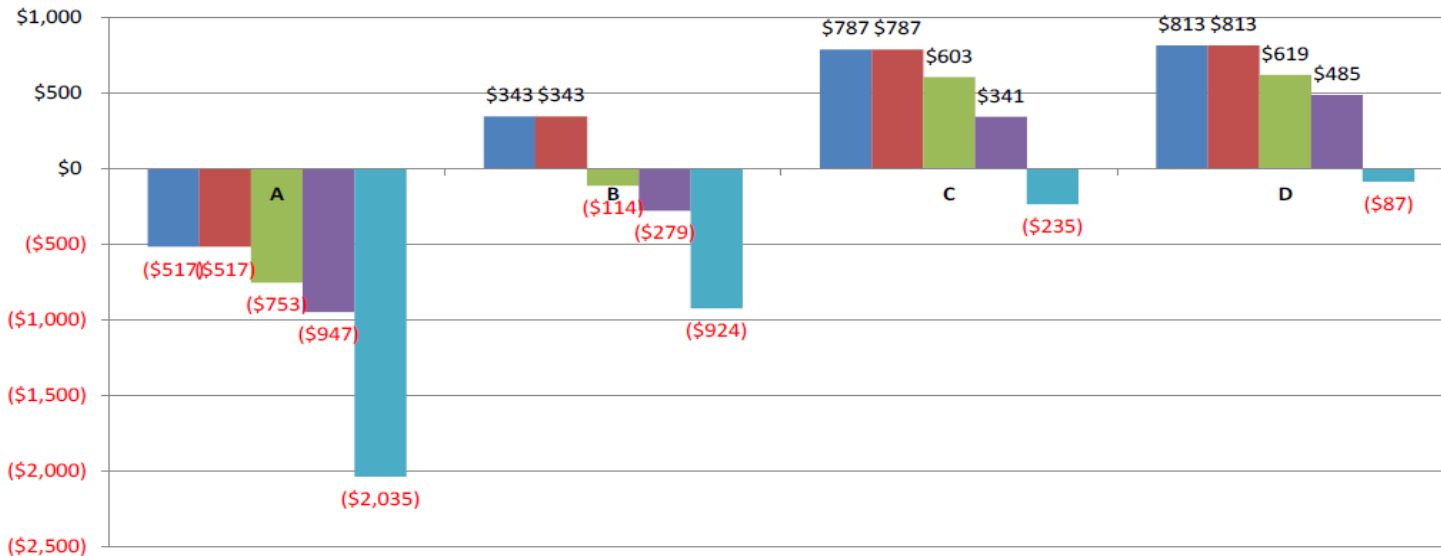
1. Clarify financing for what
2. Calculate costs, including ramp up
3. Map current funding
4. Identify gaps and funding goals
5. Develop strategies to fill gaps/meet goals



Cost Modeling

RI Cost of Quality Study-- What it Tells You?

Figure 1. Annual Net Revenue per Child (across ages) by Star Level at 85% Full Enrollment



All 20% CCAP/80% private tuition

Age and Size Conditions vary:

A = 58 children; 1 class each of ones, twos, threes and fours

B = 78 children; 1 class each of ones, twos, threes and 2 classes of fours

C = 146 children; 1 class of ones, 2 of twos, 3 classes each of threes and fours

D = 100 children; no infants, 2 classes each of twos, threes and fours

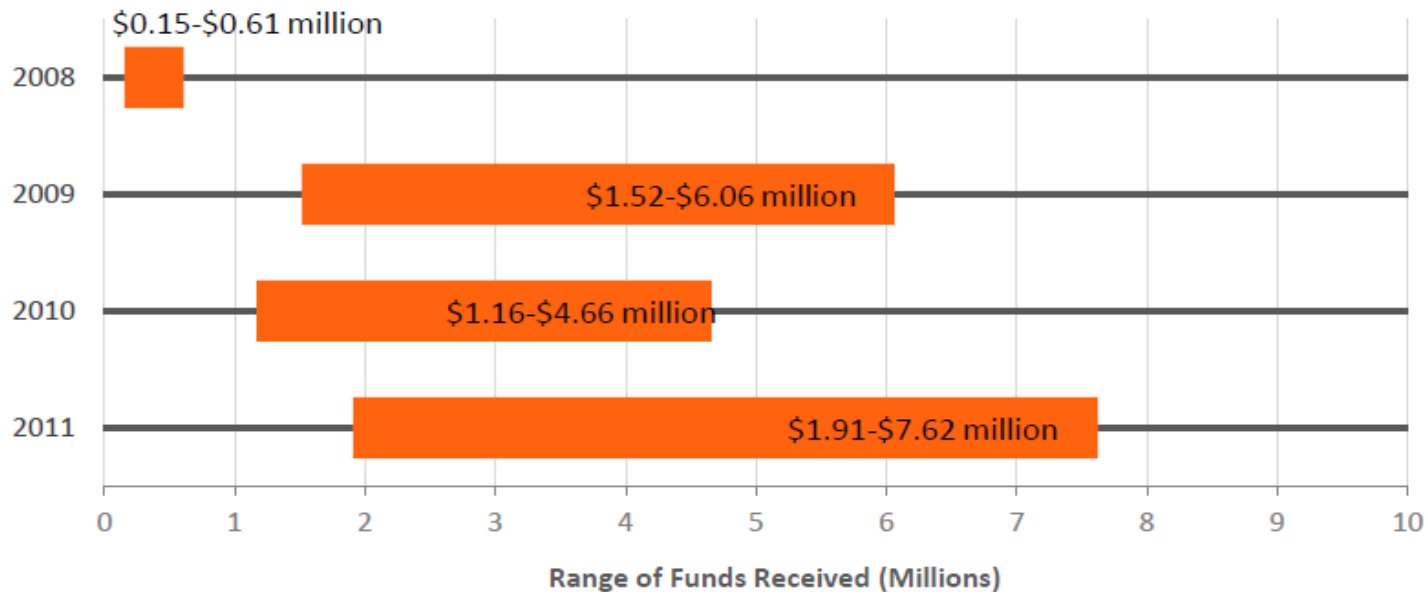
- Star 1
- Star 2
- Star 3
- Star 4
- Star 5



LA School Readiness Tax Credit

Increased Contribution of Local Businesses

FIGURE 21: RANGE OF FUNDS RECEIVED BY CHILD CARE FACILITIES FROM BUSINESSES



Source: Nat'l Women's Law Ctr. calculations based on La. Dep't of Revenue, 2008-2011 SRTC Revised 3-15-2013 (Mar. 20, 2013) (on file with the Nat'l Women's Law Ctr.).



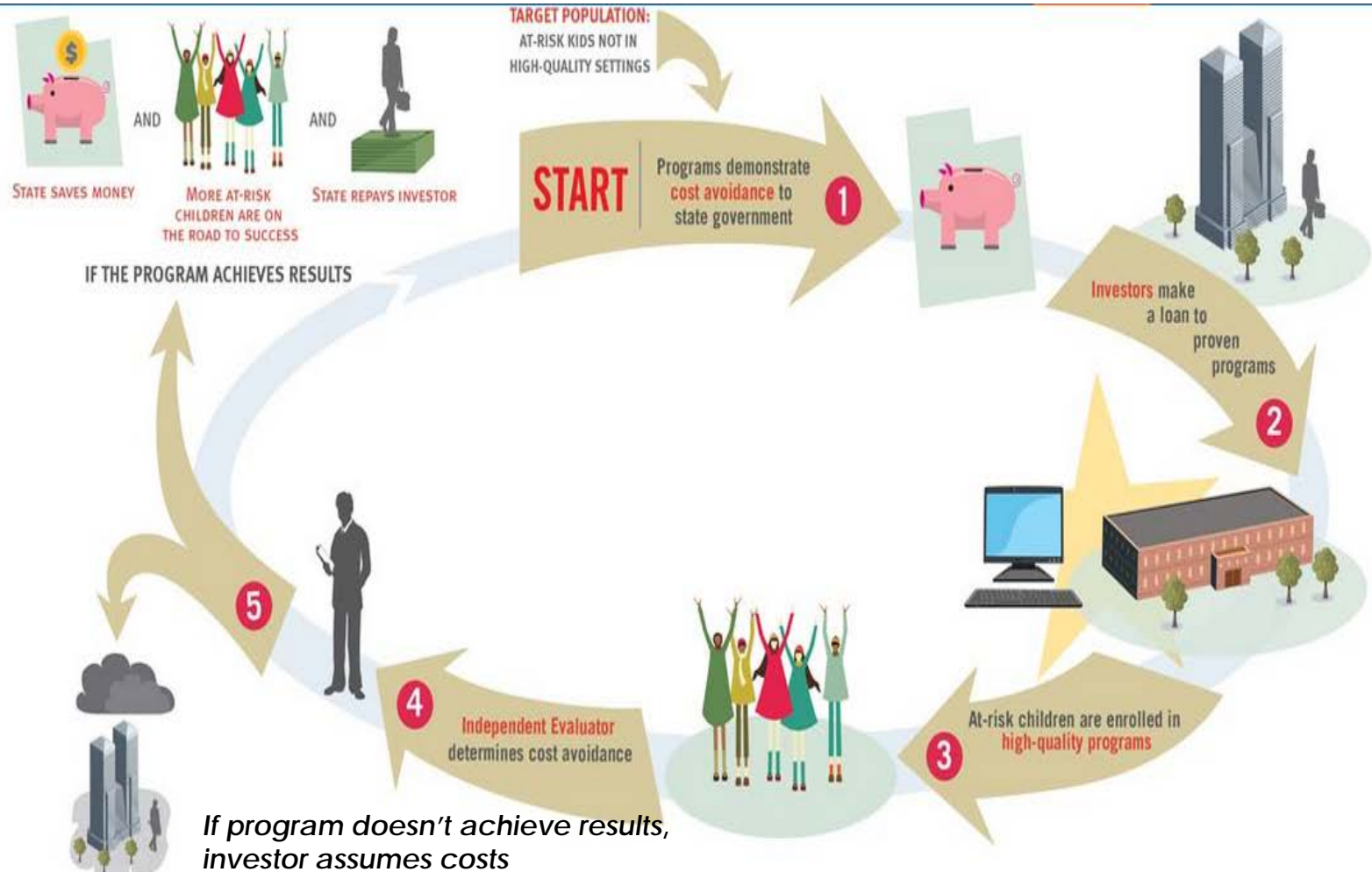
School Funding for Pre-K

25 states base on K-12 formula/variation

- Portion of FTE/ADA/ADM K-12 (11 states)
- FTE Variation (VA, LA, FL)
- Limit to prioritized districts (CT, SC, RI, NJ)
- Adjustments for student/community characteristics
- CA Local Control Funding Formula



Pay for Success





California's Quality Rating and Improvement System: QRIS and State Policy and Funding Context

Wednesday, May 20, 2015

Presented by:

Sarah Neville-Morgan and Erin Dubey, First 5
California (F5CA)

Karmina Barrales, California Department of
Education

California's QRIS



Rated Elements in the Rating Matrix	Continuous Quality Improvement Pathways
CORE I: Child Development & School Readiness	
<ul style="list-style-type: none"> • Child Observational Assessments • Developmental & Health Screenings 	<ul style="list-style-type: none"> • Infant/Toddler and Preschool Learning Foundations and Curriculum Frameworks • California Collaborative for the Social-Emotional Foundations of Early Learning (CCSEFEL) • Health and Nutrition (USDA Child and Adult Food Program), physical education/activity, and tobacco cessation training
CORE II: Teachers and Teaching	
<ul style="list-style-type: none"> • Lead Teacher/FCCH Owner Education and Professional Development • Classroom Assessment Scoring System (CLASS) Assessments 	<ul style="list-style-type: none"> • Professional Growth Plan • CLASS or PITC Program Assessment Rating Scale (PARS)
CORE III: Program and Environment	
<ul style="list-style-type: none"> • Environment Rating Scales (ERS) • Ratios & group size (Centers only) • Director Qualifications and professional development (Centers only) 	<ul style="list-style-type: none"> • Program Administrative Scale (PAS) or Business Administrative Scale (BAS) • Family Engagement



California's RTT-ELC QRIS: Where Are We Now?

Total Federal Funding: \$75 million

Participating counties are home to approximately 93% of children 0 to 5 in the state (2.3 million)

Sites Served in 2014 – 2144

- Family Child Care – 544
- Center – 1600

Sites include:

- Public and private funding
- Licensed and legally license-exempt
- Centers and homes



Sustainability Strategies

- Legislative support
- New funding
- Leverage existing resources
- Aligned Rating Reciprocity
- Focus on the “few and the powerful”



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CA STATE PRESCHOOL PROGRAM (CSPP) QUALITY RATING AND IMPROVEMENT SYSTEM (QRIS) BLOCK GRANT

- \$50 million annually in dedicated State Funding
- *Education Code Section 8203.1*
- 2014-15 resulted impacting 28 co.
 - Priority I = 16
 - Priority II = 7
- Funding available for expenditures form 7/1/14 to 12/21/15



QRIS Block Grant - General Eligibility

- Be a local QRIS consortium that is:
 - Using:
 - Quality Continuum Framework
 - Tiered Rating Matrix that includes the 3 Common Tiers
 - Implementation Guide
 - Operating a QRIS on or before June 30, 2014 (rating ECE programs); subsequently, prior to release of RFA
 - Inclusive of Local Early Childhood stakeholders



QRIS) BLOCK GRANT: Required Local QRIS Consortium Members

- Local/regional QRIS planning body
- Have a lead agency
- Representation from:
 - Local Education Agency (LEA)
 - First 5 county commission
 - Postsecondary education institution
 - Local Child Care Planning Council
 - Resource and Referral Agencies/CCR&R
 - Other agencies serving children birth to 5 years





Use of Funds

1. Local QRIS block grants to CSPPs at Tier 4 or 5
2. Quality Improvement Activities for CSPPs not yet at Tier 4
 - Coaching, PD based on the CQI Pathways, training stipends, program incentives and supplies
3. Assessment and access projects that do not exceed 20% of grant
 - Include Family Child Care Education Networks that provide CSPP services

First 5 IMPACT: Improve and Maximize Programs so All Children Thrive



- \$190 million over 5 years
- Centered around a network of local QRIS that better coordinate, implement, and evaluate early learning programs
- Builds on the RTT-ELC QRIS Framework and F5CA's past and current program investments and aligns with federal and state direction
- Catalyzes and maximizes investment and leverages non-First 5 dollars
- Creates a shared focus on a common desired result – thriving children and families

What does First 5 IMPACT funding support?

Four Key Areas:

1. County/Regional Allocations
2. Regional Training and Technical Assistance (T&TA) Hubs
3. State-Level Systems Support and Statewide T&TA
4. Data, Evaluation, and Research

Three implementation steps that allow counties/regions to enter F5's IMPACT Initiative at various stages based on readiness:

1. Quality Improvement (QI)
2. Quality Improvement System (QIS)
3. Quality Rating and Improvement System (QRIS)





F5 IMPACT: What are the readiness-based implementation steps for counties?

1. Quality Improvement (QI) Participating counties/regions must:

- Implement 1 element from the CA-QRIS
- Develop a minimum of 3 of the 7 systems functions

2. Quality Improvement System (QIS) Participating counties/regions must:

- Implement 4 elements from the CA-QRIS, including Effective Teacher-Child Interactions and Family Engagement
- Develop at least 6 of the 7 systems functions

3. Quality Rating and Improvement System (QRIS) Participating counties/regions must:

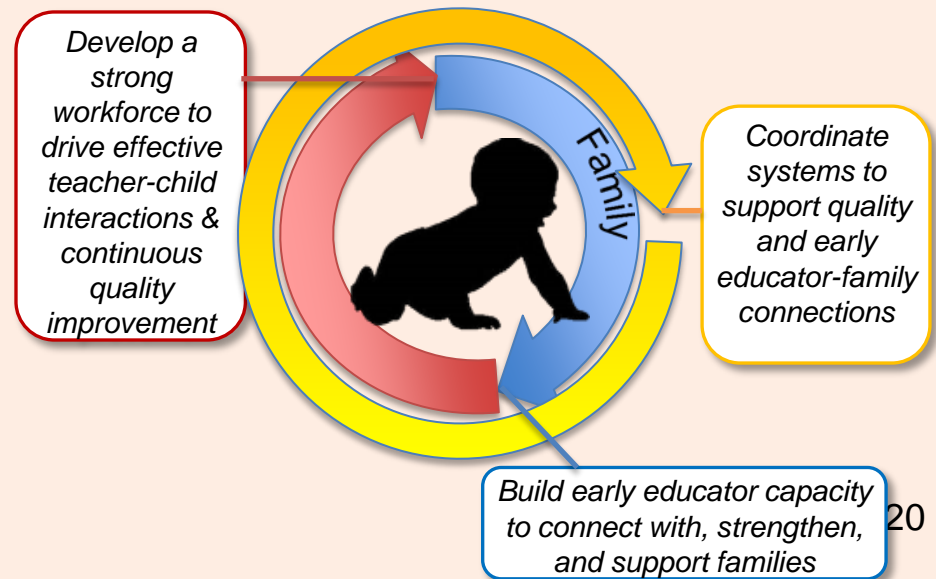
- Leverage funding to operate a QRIS, including rating
- Develop all 7 systems functions

What are proposed support strategies for supporting capacity building and quality improvement?



T&TA offered through two primary mechanisms:

1. Regional T&TA Hubs: Basic Coordination and Specialized Support
2. State Infrastructure and Statewide T&TA: System Support, Early Educator Workforce Supports, and Policy and Public Outreach Supports



First 5 IMPACT (Improve and Maximize Programs so All Children Thrive)

Public Will and Investment

Child and Family Outcomes

Children in higher-rated programs demonstrate readiness for and success in school

Families access a coordinated system of early childhood services

Families use QRIS information to choose high-quality early learning programs

Communities invest in young children

Local and Site Outcomes

Early learning sites connect families to resources that strengthen and support families

Early learning sites participate in QI/QIS/QRIS and improve quality

Early educator workforce development leads to increased site quality

Communities are aware of the importance of quality early learning experiences on children's outcomes

System Functions

Ensure Accountability

Rate and monitor early learning sites. Use data to guide continuous quality improvement and track progress on outcomes and benchmarks.

Create and Support

Continuous Quality Improvement

Use elements of the QRIS to connect continuous quality improvement activities within and across programs and systems.

Public Outreach and Communication

Build public awareness and broader community understanding and support for QRIS. Increase parent demand for rated programs and programs involved in continuous quality improvement.

Recruit and Engage Participants

Recruit diverse early learning sites and family child care providers to participate in local quality improvement efforts.

Enhance and Align Standards

Use the QRIS to align standards within and across programs and systems and to integrate services and best practices.

Build Local Consortia

Convene and strengthen local partnerships to articulate a shared understanding of roles and joint leadership to improve the quality of early learning.

Finance Strategically

Secure and leverage multiple funding streams to support a local QRIS.



System Implementation

System Assets

DRAFT 4-2-15

Vision: Facilitate the creation and implementation of an integrated, comprehensive, and collaborative system of information and services to enhance optimal early childhood development and ensure California's children receive the best possible start in life and thrive.

Web Resources & Contact Information



- **RTT-ELC Main Web site:**
<http://www.cde.ca.gov/sp/cd/rt/>
- **QRIS Block Grant E-mail:**
PSQRISBG@cde.ca.gov
- **First 5 California IMPACT E-mail**
F5IMPACT@ccfc.ca.gov

Additional Resources

CEELO website - <http://ceelo.org/>

- [*Discussion Guide: State Financing Strategies for Early Care and Education Systems*](#)
- [*Annotated Bibliography on Financing*](#)

ELCTA

- [*Sustainability Topical Page*](#)

