



A Federal Performance Partnership for Early Childhood

By Katharine B. Stevens

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Key Points

- Childcare is early education, but high-quality childcare is financially out of reach for many working families. As a result, millions of children from birth to kindergarten entry end up in subpar care, compromising their growth during the most crucial developmental years.
- States increasingly recognize childcare's critical impact on children's early learning and development. Yet fragmentation among federal funding streams is hindering growing state efforts to provide low-income working families with adequate access to high-quality care.
- A federal performance partnership offers an innovative approach to this problem. By granting greater flexibility in the use of funds awarded across various funding streams, a performance partnership in early childhood can advance states' capacity to meet the needs of working families and their young children while amplifying the impact of current spending.

[We aim] to lighten the burdens of children, to set their feet upon paths to health and well-being and happiness. . . .

Let no one believe that these are questions which should not stir a nation; that they are below the dignity of statesmen or governments. If we could have but one generation of properly born, trained, educated, and healthy children, a thousand other problems of government would vanish.

—President Herbert Hoover, 1930
Address to the White House Conference on Child Health and Protection

Childcare is playing an unprecedented role in the lives of America's young children. While in 1940 fewer than one in 10 women with children under age six were in the workforce, today almost seven out of 10 are working outside the home.¹ That means millions of children are now in the care of people other than their parents, often starting at birth.

By kindergarten entry, many young children have spent more than 11,000 hours in childcare—compared to the 1,100 hours or less for a full-year pre-K or Head Start program.² And those thousands of hours in childcare are occurring during the most crucial developmental period of a child's life. The science is clear: For better or for worse, the early

experiences of babies and young children have a profound, lasting impact on the rest of their lives.³

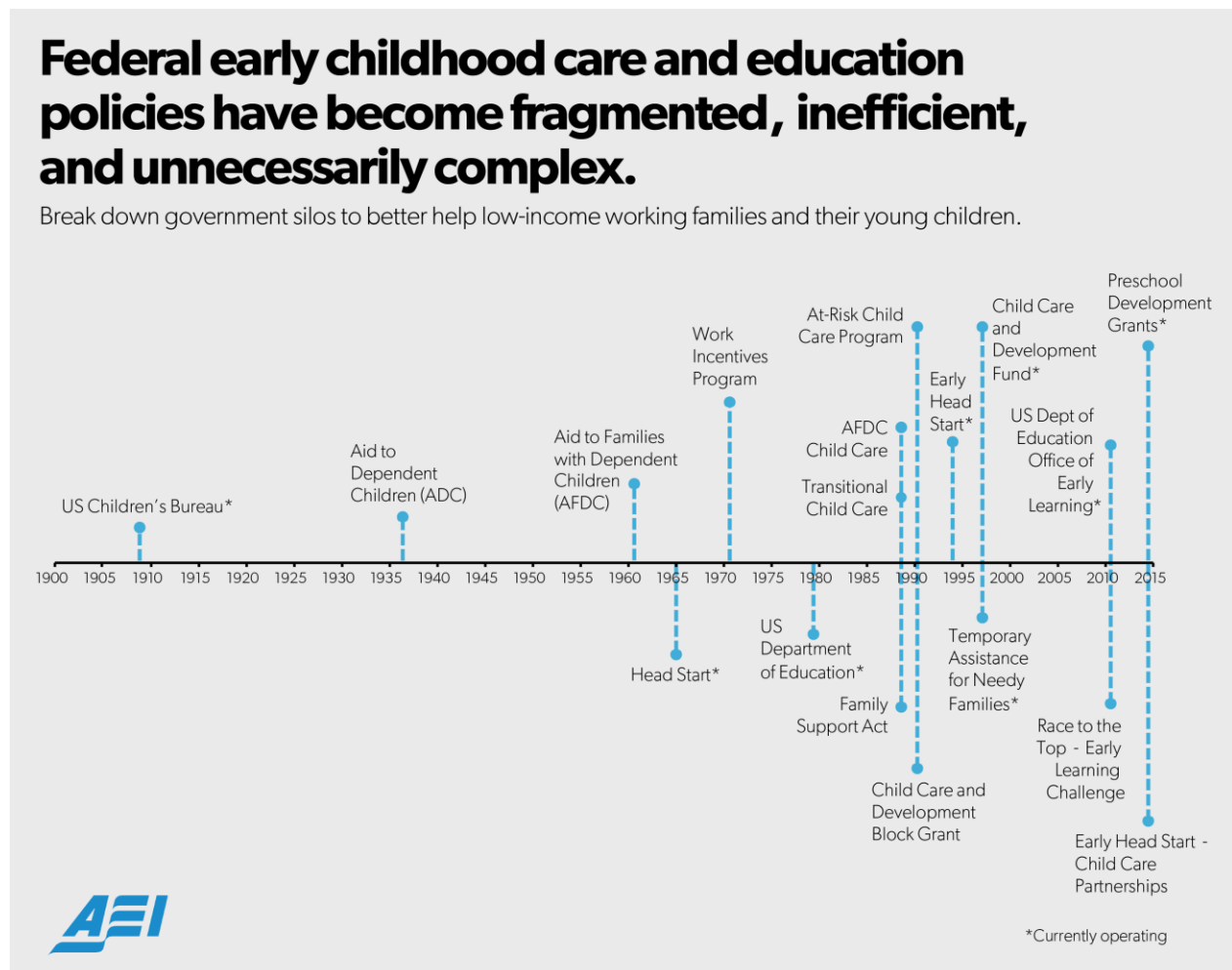
Too many low-income children today are entering kindergarten so far behind that they can never catch up. High-quality childcare, which helps the country's youngest, most disadvantaged children get a good start while enabling their parents to work, holds great untapped potential to increase low-income children's chances for success. By promoting the complementary aims of healthy child development on the one hand and adult responsibility and self-sufficiency on the other, childcare provides a powerful strategy for breaking the cycle of intergenerational poverty and advancing opportunity for two generations simultaneously.

Federal Funding Streams Are Fragmented and Inefficient

Since 1909, when Theodore Roosevelt convened the first White House Conference on the Care of Dependent Children, the federal government has played a crucial leadership role in the nation's efforts to protect and advance the well-being of young children. But the policymaking legacy of the past 80 years is a haphazard array of fragmented and uncoordinated programs.⁴

Today, almost all federal early childhood funds are spent on three major funding streams: Head Start, the Child Care Development Fund (CCDF), and childcare expenditures from Temporary Assistance for Needy Families (TANF), totaling over \$17 billion annually.⁵ While all three programs fund low-income

Figure 1. Federal Early Care and Education Programs from 1900 to 2015



Source: Author.

children’s participation in early care and education, they are disconnected and lack coherent purpose.

At the state and local levels, integrating these disparate federal funding streams—each constrained by its own administration, rules, and monitoring frameworks—with growing city- and state-funded early childhood initiatives is difficult at best and often impossible. Entire offices in early childhood programs are staffed with experts dedicated to what the early childhood field calls “blending and braiding”: the complicated, bureaucratic task of combining incoherent funding streams into money that is actually useful to low-income children and their working families.⁶

Childcare vs. Early Education

Early childhood policy is further hampered by a commonly made, false distinction between childcare and early education, reflecting a fundamental misunderstanding of early learning and development. Childcare is an essential work support for adults. But it also has a crucial impact on children during the most consequential phase of human development. We now know that young children are continuously and rapidly learning, wherever they are and from whomever they are with, starting at birth. So while we have long thought of “school” as where children learn, the reality is that every environment—whether home, school, or childcare—is a learning environment for young children.

This has critical implications for federal policy. Head Start has long been emphasized as the federal government’s primary early education program. But because children often spend many more hours in childcare, starting much earlier in their lives, childcare can actually have a much greater impact on their development. That is, childcare *is* early education, no matter what we call the program or funding stream. The only question is whether it promotes or impedes children’s learning and development.

Childcare has a uniquely critical role among early childhood programs precisely because it serves multiple purposes. Unlike any other federal program, it lies at the intersection of three paths to reduce poverty and expand opportunity: increasing work, supporting vulnerable families, and laying the crucial groundwork for children’s later school and life success. But childcare’s powerful potential to help

children and their families move ahead together has not been realized. Instead, federal policy has long been driven by coping with what exists rather than what can be accomplished, locked into choosing among three bad options: tinkering around the edges of existing programs, trying to cut them, or adding new ones on top of those already in place.

Emerging State-Level Innovation

Unlike K–12, early care and education largely remains a decentralized, market-based sector, making it an ideal arena for innovation. And while for decades the federal government played the key leadership role in early childhood, today the most forward-looking leadership is emerging from the states. Governors across the country, both Democrats and Republicans, are heeding the growing research that underscores the importance of early development and are prioritizing investment in children’s earliest years. Increasingly, the most successful state efforts to address the needs of low-income children and their families are carried out *despite*, not because of, the federal government.

Recognizing this, Washington has launched multiple efforts over the past decade, aimed to help states better integrate fragmented federal programs, as well as advance state leadership in early childhood.

- In 2007, the reauthorization of Head Start required every state governor to establish a State Advisory Council on Early Childhood Education to improve the quality, availability, and coordination of the state’s programs and services for children from birth through kindergarten entry. Those councils are now in place in every state, providing valuable infrastructure for ongoing state activity.⁷
- The 2011 Race to the Top–Early Learning Challenge competition provided more than \$1 billion in funding for 20 states to design and implement integrated state systems aimed to improve the quality of early learning and development services and close the achievement gap for children with high needs. Several of those states are now national leaders in early childhood policy and practice.⁸
- In 2014, Congress reauthorized CCDF for the first time in 18 years. The bipartisan reauthorization—passed in the Senate with an overwhelming

majority of 88 to 1—strongly promotes state leadership in providing young children with high-quality learning opportunities while supporting their working parents.⁹

- The Every Student Succeeds Act, passed in 2015, authorized a new \$1 billion Preschool Development Grants (PDG) program: the first time a dedicated funding stream for early childhood has been included in elementary and secondary education law. Starting in 2018, PDG will award \$250 million per year for four years of competitive grant funding to help states strengthen coordination and quality of early childhood programs and improve access to those programs for low- to moderate-income children from birth to kindergarten entry. The first year of grants will focus exclusively on helping states inventory the availability and quality of all existing programs, assess current child and family needs, and develop a strategic plan for meeting those needs more efficiently and effectively.¹¹
- Finally, the fiscal year (FY) 2018 omnibus spending bill increased CCDF funding by \$2.37 billion over FY2017 levels. This recent increase is the single largest in CCDF's history, effectively doubling the program's discretionary funding and further strengthening states' capacity to build on work done to date.¹⁰

Multiple states, too, have been taking impressive initiative to align resources around the needs of children and families, rather than the dictates of state and federal funding streams.

- In Minnesota, the business sector raised \$20 million in private funding to pilot the nationally recognized Early Learning Scholarships program, a strong model of an approach driven by quality and parent choice, rather than by federal funding streams. Launched in 2006, the program provides vouchers to poor and low-income families, empowering them to choose from a wide variety of high-quality early learning programs in centers, homes, schools, churches, and nonprofit organizations. Its design and operation are built around four core principles: (1) start early, (2) target resources to the neediest children, (3) demand quality, and (4) empower parents with choice. Through rigorous evaluation, it was found to be an especially effective and efficient way of helping low-income families access high-quality early

learning and is currently being scaled up by the state.¹²

- In Louisiana, the state legislature established the Louisiana Early Childhood Care and Education Network in 2012: “a comprehensive and integrated delivery system” aimed to unify the state’s early childhood education programs and empower families with more robust choice.¹³ Run out of the state’s education department, the statewide network manages all early childhood programs, overseeing 65 community-based networks that include every publicly funded pre-K, childcare, and Head Start program in the state. Over the past several years, the network has built a single enrollment process and accountability system for all early childhood programs that receive public funding, regardless of source.¹⁴
- In Mississippi, the State Early Childhood Advisory Council and the Mississippi Department of Human Services together developed a Family-Based Unified and Integrated Early Childhood System that connects and integrates all public resources available to parents and their children from across agencies and organizations. Launched in 2017, the “Mississippi Plan” is a collaborative effort of multiple state agencies, the governor’s office, state early care and education providers, and the State Early Childhood Advisory Council. It uses common case management, a collaborative referral process, and an integrated data system aimed both to place parents on a path to self-sufficiency and to advance their children’s development in high-quality early learning environments.¹⁵

Moving Forward: A Federal Performance Partnership for Early Childhood

The best way now for Washington to promote the well-being of disadvantaged children is to advance state leadership by supporting the work of exemplary states, aiming to break down government silos and empower local actors to focus on the needs of children and families rather than the demands of bureaucracy.

Federal Performance Partnerships. One way to accomplish this is through a little-known governmental mechanism: the *federal performance partnership*. A new performance partnership in early childhood is especially timely, as a sensible way to sustain and

build on the substantial groundwork laid by multiple federal and state initiatives over the past decade.

The aim of federal performance partnerships is to amplify the impact of existing funding streams by minimizing the legislative, regulatory, and administrative barriers in order to most effectively meet real-life needs on the ground. Authorized by law for a specific policy purpose, performance partnerships allow federal agencies to grant greater flexibility in the use of funds awarded across multiple federal programs in exchange for increased outcome accountability around that core purpose. The Office of Management and Budget has encouraged use of performance partnerships, but the mechanism has not been widely used.

To date, Congress has authorized federal performance partnerships in just two policy areas: environmental protection, authorized in 1996,¹⁶ and services for disconnected youth, authorized in 2014.¹⁷ The first, the Environmental Protection Agency's Performance Partnership Grants (PPG), allows state agencies to consolidate funds from up to 19 environmental program grants into a single PPG.¹⁸ The second, Performance Partnership Pilots for Disconnected Youth, is a more recent initiative that allows funding from multiple programs across multiple agencies to be combined into pilot programs serving disconnected youth.¹⁹

Early childhood is an ideal policy focus for a new performance partnership, aiming to support and amplify the work of a select group of states that have shown a clear commitment to providing high-quality early learning programs targeted specifically to poor and low-income children from birth to kindergarten entry. Such a partnership can help states build market-based, family-centered early childhood systems, which both increase the supply of reliable, high-quality childcare that supports children's learning and development, starting at birth, and provide low-income working parents with sufficient information and means to make optimal decisions for their own children.

Partnership Design. Through a performance partnership in early childhood, states can be invited to propose three- to five-year demonstration projects designed to increase access to high-quality early learning programs that simultaneously serve the needs of both low-income children and their working families. Approved states would be granted special flexibility

to combine into a blended pool their own dollars with funds from CCDF, TANF, the Work Innovation and Opportunity Act, and other federal programs serving low-income children and parents, all subject to high standards of quality defined in the state's proposal.

Successful state proposals would require:

- Alignment of funds around a two-generation strategy for advancing children and their parents simultaneously;
- Demonstrated capacity to use integrated data and evaluation to target services to children and families in greatest need and to support continuous improvement;
- Emphasis on empowering parents to choose what is best for their family's well-being and their child's healthy development;
- High standards for ensuring that programs support the social, emotional, physical, and cognitive domains of children's early development to increase kindergarten readiness;
- A state-recognized system that meaningfully assesses provider quality, based on child outcomes;
- A minimum standard of quality that care and education providers must meet to be eligible to receive partnership funds;
- Access to technical assistance enabling providers to improve quality of their programs;
- Incentives for ongoing program monitoring and improvement;
- Rigorous measurement and evaluation of program outcomes; and
- Clear benchmarks for success at the conclusion of the demonstration project.

This approach breaks down the counterproductive silos entrenched in federal funding streams and promotes state innovation and experimentation around how best to serve low-income children and working parents. It supports states that are willing to set a high bar, raising the quality of those states' early childhood services across the board. It puts parents—not programs—at the center, empowering

them to choose what is best for family stability and their child's well-being and healthy development. Finally, it focuses on advancing whole families together by simultaneously enabling adult work and supporting young children's learning and development.

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Family and child well-being are inextricably linked. Today's federally funded care and education programs for children from birth to kindergarten entry must have two purposes: supporting parents' work in a modern 24/7 economy while also advancing children's

healthy growth and learning. Those two aims are complementary, equally important strategies for building human capital in disadvantaged communities.

The federal government plays a key role in public spending on care and education programs for the nation's youngest children and is well positioned to help move the field forward. By amplifying the impact of currently siloed federal programs and reducing regulatory and fiscal barriers to innovation, a performance partnership for early childhood can increase states' capacity to promote strong families and give America's least-advantaged children a fair chance at success in school and life.

Notes

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About the Author

Katharine B. Stevens leads the early-childhood program at the American Enterprise Institute, where she focuses on the research, policy, and politics of early care and education. She also studies the role of early learning in increasing opportunity for low-income Americans and the challenges of implementing rapidly expanding early-childhood initiatives, especially ensuring caregiver and teacher quality.

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