

Head Start and Child Care Partnerships Policy Brief

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To improve the lives of all children vulnerable to the effects of poverty and other risk factors, state early childhood systems can't just focus on any one aspect of development, but need to address the full range of child development needs. High-quality early childhood programs—including Head Start and Early Head Start and quality child care and preschool programs—can help young children and their families access all they need to thrive.¹

As noted in the groundbreaking *From Neurons to Neighborhoods*:

Early childhood intervention is more a concept than a specific. Much of its diversity is related to differences in target groups—from the broad-based agendas of health promotion and disease prevention, early child care, and preschool education to the highly specialized challenges presented by developmental disabilities, economic hardship, family violence, and serious mental health problems, including child psychopathology, maternal depression, and parental substance abuse.

In the present day economic recession, access to high quality early childhood services is even more essential. From a business perspective, high-quality child care is vital because it increases current workforce productivity and invests in our future labor force. Parents are able to go to work while their children, our future workforce, begin building the foundations for lifelong success. Economists note that early childhood education and care are critical investments for stimulating the economy. A national study showed that child care is a key part of the economy across the country, and is responsible for generating nearly \$580 billion in labor income and \$69 billion in tax revenue and providing more than 15 million jobs.²

Early care and education programs produce significant, positive returns for at-risk children. For example, Art Rolnick of the Minneapolis Federal Reserve Bank argues that investments in early childhood programs yield significant returns on investments compared to other public spending. It is estimated that for every dollar spent on quality early education, the public receives a return of \$7 in savings from reduced grade retention, crime, and other public assistance.³ Nobel Prize winner James Heckman also argues that investments in young children, particularly those living in poverty, have significant cost savings compared to later interventions and have large social and economic benefits for society by leveling the playing field and closing the achievement gap early in life.⁴ For these reasons, investments in high-quality early childhood experiences should be a critical piece of any economic recovery efforts and would ensure that vulnerable children and families share in the benefits of recovery.

To make the necessary systemic changes for young children envisioned by child development experts and economists alike, states are developing multiple strategies to improve their early childhood systems. One important choice for states is making policy changes that foster collaboration and coordination between Head Start programs at the local level and the state child care subsidy system. Particularly as the number of low-income working families who need full-

day, full-year child care and early education services for their young children grows, programs serving these children and families increasingly need to collaborate and partner with each other. Federal funding streams such as Head Start, the Child Care and Development Block Grant (CCDBG, also known as the Child Care and Development Fund, or CCDF), and Temporary Assistance for Needy Families (TANF) are designed to help low-income working families access early childhood services, but individually these funding streams may not provide the hours or the quality that low-income working families need.

“Over the past several years, Head Start grantees have been encouraged to explore new and innovative ways to collaborate with child care providers to provide full-day, full-year services to Head Start and Early Head Start families who need such services.” – Office of Head Start⁵

“The Head Start comprehensive model of health, parent involvement, family support and education, when linked with child care, can provide parents and children with quality comprehensive full day/full year services... We encourage [states] to explore and support such efforts.” – Child Care Bureau⁶

Head Start and child care programs face regulatory and alignment challenges to partnership. Federal agencies encourage collaboration and have published guidance on opportunities for partnership and addressing these challenges. However, states can take several actions to promote collaboration among early childhood programs. Doing so has the potential to break the traditional barrier between early education and child care policies and address the needs of children in working families in a coordinated way while strengthening the quality of community-based child care programs.

This policy brief provides background on the current federal funding streams for early childhood programs, identifies opportunities for coordination between the child care subsidy program and Head Start programs from the state level, discusses key policy differences between the two programs at the state level, provides information on state examples, and ends with recommendations for better coordination and collaboration among the programs in Mississippi.

Federal Funding Streams for Early Care and Education

Head Start

The Head Start program has provided high quality early education and comprehensive support services to the nation’s poorest children from age 3 through school age since 1965. In 1995, Early Head Start was created to provide early care and education and comprehensive services to infants and toddlers (from birth to age 3) and pregnant women. In addition to early learning and cognitive development, Head Start’s comprehensive early childhood development programs provide children and families with access to a range of services, such as parenting resources, health screenings, referrals, and follow-up support, and social services. To be eligible for Head Start, generally children must be living at or below the federal poverty line, or receiving public benefits.⁷ Under the 2007 reauthorization of the Head Start program, Grantees may choose to serve up to 35 percent of their children from families with incomes of up to 130 percent of the

poverty line.⁸ Recent estimates suggest that nationally, Head Start is serving only about half of eligible preschool-age children.⁹

Both Head Start and Early Head Start have proven their effectiveness in national studies; more importantly, both programs have proven their effectiveness by improving the lives of children and families. Head Start and Early Head Start serve a diverse array of children and families living in poverty. Seventy-seven percent of participants across all Head Start funded programs (including children participating in Head Start, Early Head Start, American Indian/Alaskan Native, and Migrant and Seasonal programs) are in families earning below the federal poverty level; another fifteen percent qualify because they receive public assistance.¹⁰ A greater proportion of African-American and Latino children participate in Head Start than do White or Asian children.¹¹

Nationally, Head Start and Early Head Start families are working hard to become self-sufficient:

- Seventy percent of all Head Start families include at least one working parent, and 13 percent of families include a parent in school or job training.
- Sixty-six percent of Early Head Start families have at least one employed parent, and 22 percent have at least one parent in school or job training.

Child Care and Development Block Grant and TANF Funded Child Care

The Child Care and Development Block Grant (CCDBG) is the principal source of federal funding for child care subsidies for low income families and is the principal source of federal funding for initiatives to improve the quality of child care in states. Each state qualifies to receive an amount of federal funds each year, and can receive additional federal funds by spending state dollars for child care subsidies and quality initiatives. Federal law establishes a set of requirements that states must meet in order to receive CCDBG funds, but states have very broad discretion in many of the basic design features of their low income subsidy programs and quality initiatives. For example:

- CCDBG funds may be used to provide care for children from birth to age 13. States may also choose to provide assistance to children between 13 and 19 years of age who are physically and/or mentally incapable of self-care or under court supervision.
- States may provide assistance to families whose income does not exceed 85 percent of the state median income (SMI) for a family of the same size. States may set income eligibility anywhere below that ceiling. States determine how income is calculated, for example, whose income in the household is counted, what sources of income are counted, and what length of time is used to calculate income (i.e. over several weeks or months).
- To qualify for assistance, parents must be working or in education or training programs or a child may be in protective services. States determine what activities qualify as work, education, or training and the required number of hours. States also establish the length of time for which eligibility is determined and the process for redetermining eligibility at the end of that time period.
- Federal guidance notes that states may also set different eligibility periods for children receiving subsidies who are enrolled in Head Start, Early Head Start or state

pre-kindergarten collaborative programs.¹² There is no maximum time period that a family may be determined to qualify for assistance (i.e. six months or one year).

- States must prioritize services for families with very low incomes and children with special needs. States define each of these categories. States may also choose to give priority to additional categories of children as well.
- States must establish a sliding fee scale for parent copayments, although they are permitted to exempt parents with incomes below the federal poverty level from making copayments. Federal regulations consider 10 percent of family income to be a benchmark for affordability, but states establish affordable copayments at their own discretion.
- Federal law establishes that the child is the primary beneficiary of the child care services; therefore, states may only consider the immigration status of the child, and not the parent, when determining eligibility. Federal guidance clarifies that child care providers who are subject to the federal Head Start Performance Standards and are supported by combined Head Start/Early Head Start and CCDBG funding are exempt from verifying the immigration status eligibility of any child.¹³
- States must establish basic health and safety requirements for all providers, but are permitted to exempt certain providers. These requirements must address the prevention and control of infectious diseases, the safety of buildings and physical premises, and minimum health and safety training for providers. A state may choose to require some providers to meet higher standards, for example, those receiving direct payments through contracts, as long as the parental choice requirement (see above) is not violated.

The federal government also grants monies to states to support low-income families through Temporary Assistance to Needy Families (TANF). States are permitted to transfer up to 30 percent of their TANF block grants to CCDBG, in which case the transferred funds become subject to CCDBG rules (i.e. the minimum 4 percent quality requirement applies). States may also transfer up to 10 percent of its TANF funds to the Social Services Block Grant (SSBG). The total amount transferred to CCDBG and SSBG may not exceed 30 percent of a state's block grant. States may choose to spend an unlimited amount of TANF funds directly on child care for needy families. Federal guidance has also made clear that states can spend TANF funds on early education services that are intended to meet two purposes of TANF, specifically Purposes 3 and 4, to prevent out of wedlock pregnancies and to promote the formation and maintenance of two-parent families. TANF funds spent on child care are not subject to CCDBG rules.

For more information, see *Using TANF for Early Childhood Programs*.¹⁴

States do not report to the federal government the number of children served in TANF-funded child care. The most recent estimates from HHS show the number of children served with CCDBG and TANF combined funds at 2.35 million children in 2005.¹⁵ CLASP estimates that 2.2 million children received child care through all sources in 2007, or 250,000 fewer children than at the start of the decade.¹⁶ In 2000, only one in seven—or 14 percent—of federally-eligible children received assistance.¹⁷ Yet, between 2000 and 2007, the number of children from birth to age 13 living in low-income households (those earning less than 200 percent of the federal poverty level) grew by nearly 1.2 million children, or 5 percent.¹⁸ In other words, the number of children receiving help has *fallen* while the number of children living in low-income families potentially eligible for assistance has *grown*. The result may be a larger share of unserved children today, as compared to 2000.¹⁹

Opportunities for Coordination

Since the passage of the 2007 reauthorization of the Head Start program, there has been new emphasis on issues of coordination and collaboration between state funded programs such as the child care subsidy program and local Head Start Grantees. The Head Start Act placed an emphasis on these issues, through a number of new components:

- Requires states to create State Advisory Councils on Early Education and Care in order to determine needs across programs serving children birth to six and to develop recommendations for collaboration between early childhood programs, data collection, review of early learning standards and professional development for educators that cross program auspices.
- Maintains and expands Head Start State Collaboration Offices in each state.
- Creates State Training Offices for Head Start.
- Allows part-day Head Start programs the flexibility to convert to full-day year-round services.

State Early Childhood Advisory Councils: These State Advisory Councils received \$100 million in the American Recovery and Reinvestment Act passed in February 2009, and funds are available for one-time start-up grants, over a three-year period, to develop and implement State Advisory Council plans. The Councils may provide a space for states to discuss issues related to program coordination and to revise state policies that prevent children from being served in full-day and year high quality programs that meet Head Start Performance Standards while receiving child care subsidy funds. State Councils may also be collecting important data documenting the need for full-day and year programs for young children in Head Start and Early Head Start, and helping local programs to understand the needs in their communities.

Applications for the State Advisory Councils may be submitted through August 30, 2010. According to the announcement of funds:

"The State Advisory Council will work to strengthen state-level coordination and collaboration among the various sectors and settings of early childhood programs in the State. The Council will conduct periodic statewide needs assessments on the quality and availability of programs and services for children from birth to school entry, identify opportunities for and barriers to coordination and collaboration among existing Federal and state-funded early childhood programs, and develop recommendations for: (1) increasing overall participation of children in existing Federal, State, and local child care and early education programs, including outreach to underrepresented and special populations; (2) the establishment or improvement of core elements of the State early childhood system, such as a statewide unified data collection system; (3) a statewide professional development system and career ladder for early childhood educators; and (4) high-quality State early learning standards. The Council will also assess the capacity and effectiveness of institutes of higher education in the State toward supporting the development of early childhood educators.

"States shall also use the funds to carry out activities to facilitate the development or enhancement of high-quality systems of early childhood education and care designed to improve school readiness through one or more of the following activities: promoting school readiness of children birth to five; supporting professional development, recruitment and retention initiatives for early childhood educators; enhancing existing early childhood and development programs and services in existence on the date of the grant award; and carrying out other activities consistent with the State's plan."

Head Start State Collaboration Office: The 2007 reauthorization of the Head Start program increased the responsibilities of the Head Start State Collaboration Office. The Office now has responsibility to "promote partnerships between Head Start agencies, State and local governments, and the private sector to help ensure that children from low-income families, who are in Head Start programs or are preschool age, are receiving comprehensive services to prepare the children for elementary school."²⁰ This is an important tool as states are promoting collaboration between the child care subsidy program and Head Start programs, as the Head Start State Collaboration Office can serve as a liaison between state government agencies and Head Start Grantees to help write Memorandum of Understanding and contracts, as well as to translate provisions of the Head Start Performance Standards, Head Start regulations and guidance to state administrators and to child care providers in order to expand partnerships.

State Training Offices for Head Start: The revised Head Start law includes funding for state-based training and technical assistance offices to help local Grantees improve the quality of their services. States are encouraged to supplement the funds available for the Training Offices in order to expand access to the professional development opportunities offered by the Training Offices and to increase the quality of programs that do not currently meet the Head Start Performance Standards. As states are interested in promoting collaborations among community-based child care providers and Head Start Grantees, an important first step may be for state investment in these training offices and to invite child care providers to participate in the technical assistance opportunities available.²¹

Conversion of programs from part-day to full-day: Many working families receiving a child care subsidy need access to child care for a full-working day, which is often ten hours or more. The reauthorization of the Head Start program recognized that some programs may need to change their approach in order to continue to serve eligible families, and allowed programs to convert from part-day to full day programs.²² According to the Office of Head Start Program Instruction on "Conversion of Part-day Slots to Full-working Day Slots or Sessions,"²³ Grantees wishing to convert slots must submit a proposal to the regional office and include information on the community need for such slots, information on the current program demographics of the program, including number of children served and hours and days served, the number of children to be served in the conversion, information about non-Head Start resources being used to support conversion, and a timetable for the conversion.

Programs seeking to convert to full-day programs should be connected to the statewide efforts in the State Early Childhood Advisory Council to build collaboration in order to gain access to data on the need for full-day and year services, understand whether, and what resources might be available to support a full-day and year program, and how other policy changes might impact the need and availability of full-day services through other providers.

Key Challenges

As states look for new opportunities to coordinate and expand the full-day, full-year high quality services that low-income working families need through partnerships with Head Start Grantees, there is no single approach that works for all providers and all states. For example, a study of efforts to expand access to Early Head Start found four different models:

- Extending the day or year of the existing services
- Increasing the capacity of existing grantees to serve more eligible children and families
- Providing resources and assistance to child care providers to help them deliver services meeting the Head Start Performance Standards
- Supporting partnerships between existing Grantees and center-based and family child care providers to improve the quality of care.

Yet states promoting coordination between Head Start and child care subsidy programs funds often encounter challenges. Several common perceived barriers, with state policies, are briefly discussed below.

Head Start Program Performance Standards

Head Start programs must meet the federal requirements for Head Start, including the rigorous Program Performance Standards, to ensure the quality of their programs. The Program Performance Standards address:

- comprehensive health and developmental screenings, referrals, and ongoing care;
- developmentally and linguistically appropriate education;
- health and safety;
- nutrition;
- mental health;
- parent involvement plus the formal family partnership process;
- community partnership;
- governing boards including parents;
- teacher qualifications; class sizes, and staff-to-child ratios; and
- facilities and equipment.²⁴

In many cases, Head Start grantees are concerned that collaboration may “dilute” the mission of Head Start programs and their ability to meet the Performance Standards.²⁵ A key challenge for child care programs partnering with Head Start programs is whether the child care partner can meet the rigorous Program Performance Standards, especially if the child care partner does not have financial support to reach these targets.

To address these concerns, states have provided technical assistance to child care providers to help them learn about the Head Start Performance Standards, and have used contracts and grants through the child care subsidy program and through state general revenue to encourage community-based child care providers to provide services that meet the standards. Georgia, Massachusetts, and Ohio use grants to award funding to child care programs to meet higher

standards. Ohio has adopted the Head Start standards; Georgia and Massachusetts have created their own set of standards. Six states (DC, KY, MA, ME, OR, VT) contract for wraparound child care for children in Head Start or prekindergarten programs. These contracts are intended to meet the full-day/full-year needs of working parents.²⁶

The local child care resource and referral organization in Rockford, Illinois pooled funds from Head Start, child care, and state pre-k to bring a mental health specialist to meet with Head Start and public school teachers, child care providers, and parents, on a schedule that worked best for those groups.²⁷

In 2004, Ohio created Head Start Plus, which was designed to provide low-income working families with a full-day and year high quality program that provided comprehensive services and supports. Participating centers received a higher reimbursement rate, and an evaluation of the program found that these centers were providing higher quality services on a range of measures including teacher quality, curriculum and instruction, and access to comprehensive services than centers not participating in the program.²⁸

Eligibility period

Federal law does not specify an eligibility period for families receiving CCDBG funds. States determine how long families can remain eligible for child care subsidies before their eligibility must be re-determined, and the income and activities they must maintain in order to continue eligibility. The majority of states (60 percent) have legislated 6 months as the length of a child care subsidy, while 6 percent of states authorize subsidies for less than 6 months.²⁹ Programs in such states may face challenges to blending CCDBG and Head Start funds, since once a child is deemed eligible for Head Start, she is eligible for the entire program year. However, the Child Care Bureau has promoted the concept of ongoing eligibility for children participating in Head Start and Early Head Start programs. According to federal guidance: “the Lead Agency may establish a different eligibility period for children in Head Start, Early Head Start or State prek/child care collaborative programs than generally applies to CCDF-funded children.”³⁰

To foster collaboration between Head Start and child care programs, states can either change their policy for all families or act on the federal guidance. Massachusetts conducted a study that found that 86 percent of families were still eligible for subsidies at the time of their required six-month determination, and concluded that the policy was not cost-effective, so they switched to twelve-month determination for most families. In Maryland, families receiving child care services whose children attend a Head Start program remain eligible for a subsidy until the end of the Head Start year, regardless of any change in a family’s situation that affects subsidy eligibility.

The Illinois Child Care Collaboration Program promotes collaboration between child care and other early care and education providers, including Head Start and Early Head Start (EHS), by creating policies to ease blending of funds to extend the day or year of existing services. Income eligibility is the same as for the state child care subsidy program. Parents must be employed, attending school, or in job training. If the child is in a Head Start/Early Head Start Collaboration slot, the parent must be in an approved activity for at least the number of hours the child is in

child care or Head Start/Early Head Start. The Illinois Department of Human Services works with the federal regional office as well as other state early childhood partners such as the Head Start State Collaboration Director, to provide technical assistance and professional development opportunities for collaboration. The state has made several child care rule exceptions for participating programs to make it easier to access child care subsidy dollars in order to extend the day and year of Early Head Start services, including:

- annual redetermination of family eligibility for child care subsidy for families participating in the Early Head Start program;
- ninety-day job loss grace period; and
- maintaining indefinite eligibility for families whose Temporary Assistance for Needy Families (TANF) Responsibility and Service Plan specifies the child or family's participation in the collaboration.³¹

Categorical Eligibility

As states are looking for opportunities to help families access full-day and year programs that meet Head Start Performance Standards, they should take the opportunity to remove barriers that may make it difficult for Head Start-eligible families to enroll in the child care subsidy program. These may include requirements that families apply to a state child support enforcement program, or limits on eligibility for immigrant families with legal resident children.

Child Support Enforcement: As of November, 2004, at least 12 states required that single parents applying for child care subsidies also apply to the state's child support enforcement program (if not already receiving child support assistance).³² Some custodial parents have welcomed this support from the child support agency, especially if fees normally associated with applying for assistance are waived. Child support can be an important source of income for some families and contribute to the best interests of the child.

For other families, seeking child support is not in the best interests of the child. The absent parent may be abusive or otherwise unfit to be involved in the child's and custodial parent's life. Other families may have established informal arrangements and do not wish to pursue child support collection through the formal system, which may have a negative and punitive reputation. For the purpose of receiving benefits, formal child support orders may also overstate a custodial parent's actual income, if child support payments are irregularly received from the absent parent. If the addition of child support income is enough to deny a custodial parent a child care subsidy, the child has a genuine opportunity to suffer if the support payment does not materialize.

States can help children's stability of care, as well as programs blending Head Start funding and child care subsidy funding, by not tying receipt of child care subsidies to the presence of a child support order. If a state does link child care subsidies and child support orders, they should: 1) Waive fees and costs associated with applying for child support; 2) Allow "good cause" exceptions, for example for families with a history of domestic violence or child abuse; and 3) Allow alternatives to the state system such as private attorneys or informal arrangements.³³

The federal Office of Child Support Enforcement funded demonstration grant projects in six states from 1997-2000 to promote collaboration between child support, child care, and Head Start.³⁴ States had greater program participation that when programs worked together to provide information and support in appropriate ways that were sensitive to families' needs.

Legal Resident Children: Federal law establishes that the child is the primary beneficiary of child care services and guidance makes clear that only the child's immigration/citizenship status—and not a parent's—is relevant in determining eligibility. The federal government issued guidance on November 25, 1998, asserting that the child is the primary beneficiary of CCDBG-funded child care:³⁵ This guidance states that: [when] implementing the verification requirements mandated by title IV of PRWORA, only the citizenship and immigration status of the child, who is the primary beneficiary of the child care benefit, is relevant for eligibility purposes.

The guidance goes on to state that, “The eligibility requirements of the CCDF, its regulations, and the Lead Agency's CCDF Plan continue to apply.” Note that immigration/citizenship status is not a condition of eligibility for CCDBG (45 CFR Parts 98 and 99). Therefore, it is a violation of federal policy for a state to establish immigration/citizenship restrictions, as a condition of eligibility for CCDBG-funded child care assistance, for anyone other than the child who is the beneficiary of child care services.

Verification requirements do not apply to children receiving Head Start services, as Head Start/Early Head Start are not considered “federal public benefits”. Federal guidance clarifies that child care providers who are subject to the federal Head Start Performance Standards and are supported by combined Head Start/Early Head Start and CCDBG funding are exempt from verifying the immigration status eligibility of any child.³⁶

Interacting with the Subsidy System

Head Start grantees receive a contract from the Federal Office of Head Start that enables them to serve an agreed upon number of children for the program year. This provides a level of stability to Head Start programs, as they can predict their income and costs over the grant year. While recent federal funding led many Head Start grantees to make cuts in some areas of the budget, the passage of the ARRA in February 2009 provided an infusion of funds that programs have used to offset past cuts.

Child care programs, in contrast, rely upon family fees, a source of income support that can vary dramatically. Programs that serve families receiving subsidies do not have any guarantee of improved stability, as families can lose their voucher if their work situation changes. As reported by the Urban Institute, “subsidies can be complex to access and retain. The process of accessing and retaining subsidies can be quite challenging for parents because (1) there are several points at which parents must take action to get and retain their subsidy; (2) what parents have to do at each point can be relatively easy or hard, depending on the local agency's policies and practices; and (3) the cumulative burden of these steps can be difficult.”³⁷

As states consider how to improve opportunities for coordination between the child care subsidy system and Head Start programs, they should consider the range of policy decisions that may

limit access. These include eligibility as discussed earlier, parent fees and reimbursement rates, as well as administrative policies that may limit a family's ability to access the subsidy.³⁸

One issue that programs encounter when blending funding is whether to charge families a co-pay for the early care and education services their children receive. The Head Start Program Performance Standards specify that programs must not charge fees for participation in Head Start.³⁹ In contrast, the federal regulations for CCDBG state that programs shall establish sliding fee scales for participating families, based on family income, size, and other appropriate factors.⁴⁰ States have flexibility, and can eliminate fees for some families, especially those who may be eligible for Head Start program. For example, 21 states (AK, AZ, CO, DC, GA, IA, KS, LA, MD, MI, MS, ND, NJ, NV, OK, OR, SC, SD, TN, TX, WV) waive fees for some or all families participating in TANF. A majority of states—31—waive the fee for children who are in or need to receive child protective services (AK, AL, AZ, CA, DC, DE, FL, GA, HI, IA, ID, IN, KY, LA, MA, ME, MI, MO, MS, MT, NE, NH, NJ, NV, NY, OK, SD, TX, VT, WA, WV), and 12 states waive the fee for all families at or below the federal poverty level (AR, CA, HI, IA, IN, KY, MA, NE, NH, RI, SD, VT).⁴¹

Programs with blended funding may specify for accounting purposes the number of hours a day that are the Head Start portion of their program and the number of hours a day that are the child care portion of their program. Families would not pay co-pays for the Head Start portion of the day, but would pay co-pays for the child care portion. Further, CCDBG regulations state that programs may waive fees for families living at or below the poverty level, so state policies could allow blended programs to exercise this option to improve alignment between programs.⁴² In Virginia, a family with a child enrolled in Head Start does not pay a fee for that child's care if the family income is at or below the Federal poverty guideline.

State policy sets the level of reimbursement that each provider serving a family with a child care subsidy will receive. While states are required under the CCDBG law to assure that provider payment rates are set at levels sufficient to ensure equal access for eligible children and Federal guidance recommends that states set payment rates at the 75th percentile of current market rates, but this is not a requirement. As a result, across the country rates vary dramatically and are often outdated and too low for most providers to meet the high quality standards and supports required by the Head Start program. In 2008, only ten states set their reimbursement rates at the 75th percentile of current market rates.⁴³

In the evaluation of the Ohio Head Start Plus program, 30 percent of surveyed centers participating in the program noted that changing reimbursement rates created challenges to providing the program.⁴⁴

State governance

In many states, the Head Start State Collaboration Office and the child care subsidy program are not located in the same state department. CCDBG may be located in a Department of Human Services or a Department of Workforce Development, while the Head Start State Collaboration Office may be located in the Department of Education or the Governor's Office. Programs trying to partner and blend funds that report to different state departments may suffer from a lack of coordinated planning at the state-level.

In Maine, the Department of Health and Human Services has created an Office of Child Care and Head Start, which is “responsible for the development and improvement of child care resources across the state. It administers, evaluates and directs the expenditures of state and federal dollars for the provision of child care. The office manages grants, develops and manages programs to improve the quality of child care and provides technical assistance concerning child care.”⁴⁵ The Office also houses the Head Start State Collaboration Office, which has helped develop joint professional development and designed Memoranda of Understanding between Head Start grantees and the state child care subsidy agency.

To address these issues, a number of states, including Georgia, Massachusetts, North Carolina, and Pennsylvania have created joint governance structures. For example, in January 2007, the Governor of Pennsylvania established the Office of Child Development and Early Learning (OCDEL). OCDEL is a single office that is jointly housed in both the Department of Public Welfare and the Department of Education and oversees all birth to five early childhood policy. OCDEL manages the child care subsidy program; certification of child care facilities; family support programs; early intervention (0-5); and state quality early learning initiatives for child care, pre-kindergarten, and full-day kindergarten. The activities of the Office are captured under four Bureaus: Bureau of Certification Services, Bureau of Early Intervention, Bureau of Early Learning Services, and Bureau of Subsidized Child Care Services. The Office is managed by a deputy secretary, who holds this title in both departments.

Initially, a cross-agency work group (the Governor’s Early Learning Team) was designed to inform the implementation of the Office of Child Development and Early Learning (OCDEL) and its services. Over time, an external stakeholder group (Early Care and Education Advisory Committee) and work groups specific to program areas (e.g., Subsidy Advisory Group, Keystone STARS Advisory Committee) have become the primary sources of advice on initiatives and activities.

The Office of Child Development and Early Learning (OCDEL) is focused on creating opportunities for the Commonwealth's youngest children to develop and learn to their fullest potential. By developing an effective early childhood education system with high standards for programs and professionals, supports to meet these standards, accountability and community engagement, OCDEL is helping our children, families, teachers and communities reach their promise. Parents, schools, child care providers, Early Intervention, Head Start, libraries, community organizations, and other stakeholders have joined with the Office of Child Development and Early Learning to provide high quality early childhood programs and effective family support programs to address challenges faced by families that affect school readiness and academic success.

OCDEL is tasked with ensuring a quality educational continuum for children from birth to age five through increasing access to early learning opportunities, ensuring quality while building capacity, and building leadership at all levels.

Recommendations

State policies affect how early childhood programs deliver services to children in the state, as well as programs' ability to partner and collaborate to better serve children and families by utilizing multiple funding streams. States wanting to improve coordination need to evaluate their current policies and take intentional, incremental steps to remove barriers to partnerships. As with any partnership, forming trust relationships at all levels (among state officials, between state officials and local programs, and among the local program partners themselves) is key.

To improve partnerships among early childhood programs, **states can:**

Provide state leadership to promote collaboration.

In their leadership roles, state officials have multiple opportunities to promote collaboration between Head Start and child care at the program level. State leaders can put collaboration on the agenda at state meetings, engage the assistance of regional officials, hold trainings on partnership strategies, and promote collaboration in their public statements and websites. State leaders can also issue guidance to programs clarifying how to reconcile federal and their specific state requirements for different programs, for example around the issues of blending funding and co-payments.

Develop coordinated governance structures.

To improve coordination between Head Start, child care, and other early education programs, states can establish a variety of formal or informal interagency structures to increase coordinated planning.⁴⁶ States have created cabinet level departments focusing on children's issues, less formal interagency working groups on specific alignment issues, and Early Learning Councils. These bodies can review existing state investments and need, develop strategic plans, gather data, create memoranda of understanding and remove barriers to collaboration in state regulations.

Increase child care subsidy duration.

Increasing the length of *all* child care subsidies to 12 months is one step that states can take to improve coordination between early childhood programs. However, the federal Child Care Bureau has also clarified that states may set different child care subsidy eligibility periods for programs that collaborate with Head Start, Early Head Start, or pre-kindergarten programs, as long as the state sets forth its rationale in its CCDBG State Plan.⁴⁷

Reaching this goal may also include changing categorical eligibility requirements, including the elimination of child support enforcement registration to receive child care subsidies.

Use child care contracts instead of vouchers for partnering programs.

Contracts allow states to purchase child care slots of a stipulated duration and quality. States could offer 12 month contracts to child care providers who meet the Head Start Program Performance Standards, which would ease alignment between the two programs. States can also write contracts that require child care programs to meet Head Start Performance Standards and

provide the financial support and stability that will allow partnering programs to plan and implement a high quality program.

Award grants for child care programs to meet Head Start standards.

Many child care programs do not meet the rigorous Head Start Program Performance Standards, for example the standards regarding teacher qualifications. Awarding grants to child care programs to meet this standard and other Head Start standards can encourage partnerships and raise the quality of care for more children in the state.

Provide cross-sector professional development and technical assistance.

States can offer joint professional development opportunities to teachers from child care and Head Start, in order to leverage funds, save on costs, and encourage relationships between teachers in multiple sectors. In addition, providing quality training and resources to all teachers can help raise teacher quality. States can also use the Early Learning Councils and other mechanisms, including the child care subsidy program and state and regional Head Start training offices and information about Head Start Performance Standards and materials and resources to help child care programs understand and meet the standards.

Conclusion

Children in low-income working families may face multiple factors that put them at risk of school failure. These children need access to high quality child care settings that meet the full range of their developmental needs and provide access to comprehensive services and supports. Research on Head Start and Early Head Start show that these programs have important positive outcomes for children and families. Yet nationally, only about half of children eligible for Head Start, and less than 3 percent of the children eligible for Early Head Start, receive these services.

States can help increase access to these important programs through a set of activities designed to promote collaboration and coordination among Head Start grantees and the state child care subsidy program by examining their subsidy policies, promoting data collection and needs assessments at the state level, using new coordination mechanisms to foster collaboration, and providing stable funding for programs. While these policy changes may not be simple or easy to achieve, state policymakers must take the leadership role needed to promote better systems of care for our most vulnerable children and families.

¹ See, for example, W.S. Barnett. (2002). Early Childhood Education. In A. Molnar (Ed.), *School Reform Proposals: The Research Evidence*. Tempe, AZ: Education Studies Policy Laboratory. Available at www.asu.edu/educ/eps1/EPRU/documents/EPRU%202002-101/Chapter%2001-Barnett-Final.pdf.

² The National Child Care Association, *The National Economic Impacts of the Child Care Sector*, 2002, <http://www.nccanet.org/portals/0/econimpact.pdf>. See also regional studies on the economic impact of the child care sector at <http://www.earlychildhoodfinance.org/handouts/StudyMatrix.doc>.

³ Art Rolnick and Rob Grunewald, *Early Childhood Development: Economic Development with a High Public Return*, Federal Reserve Bank of Minneapolis, http://www.minneapolisfed.org/publications_papers/studies/earlychild/abc-part2.pdf.

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- ⁴ James J. Heckman and Dimitriy V. Masterov, *The Productivity Argument for Investing in Young Children*, Committee for Economic Development, http://ced.org/docs/summary/summary_heckman.pdf.
- ⁵ Head Start Bureau, ACYF-IM-HS-01-06.
- ⁶ Child Care and Development Fund, Federal Register Vol. 63, No. 142 page 39943)
- ⁷ Children who are in protective services (foster care) or whose families receive TANF are also eligible. Head Start programs may serve children living over the poverty level in 10% of their program slots.
- ⁸ ACF-IM-HS-08-03, Head Start Reauthorization: Two new provisions, downloaded from http://www.acf.hhs.gov/programs/ohs/policy/im2008/acfimhs_08_03.html#attach
- ⁹ Calculations by National Women's Law Center, based on Census data on children in poverty and Head Start Bureau data on children served by Head Start and Early Head Start, 2006.
- ¹⁰ Data for the Head Start program is from the 2008 Head Start Program Information Reports (PIR) if not otherwise noted.
- ¹¹ U.S. Department of Education, National Center for Education Statistics, Early Childhood Longitudinal Study, Birth Cohort.
- ¹² U.S. Department of Health and Human Services, Administration for Children and Families, *Eligibility Determination for Head Start Collaboration*, Policy Interpretation Question (ACYF-PIQ-CC-99-02), <http://www.acf.hhs.gov/programs/ccb/law/guidance/current/pq9902/pq9902.htm>.
- ¹³ U.S. Department of Health and Human Services, Administration for Children and Families, *Clarification of Interpretation of "Federal Public Benefit" Regarding CCDF Services*, Program Instruction ACYF-PI-CC-98-08, <http://www.acf.hhs.gov/programs/ccb/law/guidance/current/pi9808/pi9808.htm>; U.S. Department of Health and Human Services, Administration for Children and Families, *Verification of Citizenship and Immigration Status by Non-Profit Organizations and Head Start Grantees*, Program Instruction CCDF-ACF-PI-2008-01, <http://www.acf.hhs.gov/programs/ccb/law/guidance/current/pi2008-01/pi2008-01.htm>.
- ¹⁴ Mark Greenberg, Danielle Ewen, and Hannah Matthews, *Using TANF for Early Childhood Programs*, 2006.
- ¹⁵ Administration for Children and Families, U.S. Department of Health and Human Services, *Child Care and Development Fund (CCDF) Report to Congress for FY 2004 and FY 2005*, 2008, <http://www.acf.hhs.gov/programs/ccb/ccdf/rtc/rtc2004/intro.htm>.
- ¹⁶ CLASP estimates are based on CCDBG and TANF expenditure data and preliminary CCDBG participation data for FY 2007. According to HHS, 2.45 million children received child care assistance from all sources in 2000.
- ¹⁷ Jennifer Mezey, Mark Greenberg, and Rachel Schumacher, *The Vast Majority of Federally-Eligible Children Did Not Receive Child Care Assistance in FY 2000*, Center for Law and Social Policy, 2002, www.clasp.org/publications/1in7full.pdf.
- ¹⁸ Center on Budget and Policy Priorities analysis of March 2001 and 2008 Current Population Survey data.
- ¹⁹ The precise number of children eligible for child care assistance under federal law is unknown. Under CCDBG, states may provide child care assistance to families with incomes under 85 percent of State Median Income (SMI). While the value of SMI varies across the states, we use the number of low-income families with children under age 14 as a proxy to estimate the possible pool of families eligible for assistance.
- ²⁰ Head Start Act, Sec 642B(a)(2)(B)(4)(C)
- ²¹ Sec 648(e). At this time, the Office of Head Start has not let the contracts for the state-based training offices.
- ²² Sections 640(f)(2)(A) and 645(a)(4)
- ²³ ACF-PI-HS-09-02, downloaded at http://www.acf.hhs.gov/programs/ohs/policy/pi2009/acfpihs_09_02.html
- ²⁴ Head Start Program Performance Standards. 45 CFR 1304.
- ²⁵ Helene Stebbins and Carol Scott, *Better Outcomes for All: Promoting Partnerships Between Head Start and State Pre-K*, Center for Law and Social Policy and Pre-K Now, 2007.
- ²⁶ For more details on how contracts can improve the quality of early learning programs, see Rachel Schumacher, Kate Irish, and Mark Greenberg, *Untapped Potential? How States Contract Directly with Providers to Shore Up Child Care Choices for Low-Income Families*, 2003.
- ²⁷ Helene Stebbins and Carol Scott, *Better Outcomes for All: Promoting Partnerships Between Head Start and State Pre-K*, Center for Law and Social Policy and Pre-K Now, 2007.
- ²⁸ Diane Schilder et al. *Ohio Head Start Plus Study Final Report*, 2005. Education Development Center. Downloaded at <http://ccf.edc.org/pdf/OhioHeadStartPlusReport-EDC.pdf>.
- ²⁹ NCCIC based on 2002-2003 plans Downloaded at <http://nccic.acf.hhs.gov/pubs/stateplan2002-03/charts-tables/chart4-1-2.html>

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- ³⁰ ACYF-PIQ-CC-99. “Policy Interpretation Question: The length of CCDF eligibility for children in collaboratively-funded slots.”
- ³¹ *Building on the Promise: Profiles of State Initiatives to Build on Early Head Start* downloaded from http://www.clasp.org/admin/site/publications_states/files/State-EHS-IL-Prevention-Initiative.pdf
- ³² Paula Roberts, “Preliminary Analysis of Child Support Cooperation as a Condition of Eligibility for Subsidized Child Care,” CLASP, November 2004.
- ³³ For more information, see “Preliminary Analysis of Child Support Cooperation as a Condition of Eligibility for Subsidized Child Care.”
- ³⁴ DHS, ACF, OCSE, “Child Support, Child Care, and Head Start Collaboration: *Innovations and Ideas*,” September 2003.
- ³⁵ U.S. Department of Health and Human Services, Administration on Children, Youth and Families, ACYF-PI-CC-98-0, <http://www.acf.hhs.gov/programs/ccb/law/guidance/current/pi9808/pi9808.pdf>.
- ³⁶ *Ibid.*
- ³⁷ Gina Adams, Kathleen Snyder, Jodi Sandfort, *Navigating the Child Care Subsidy System Policies and Practices that Affect Access and Retention*, 2002.
- ³⁸ See, for example, Gina Adams, Kathleen Snyder, Jodi Sandfort, *Navigating the Child Care Subsidy System Policies and Practices that Affect Access and Retention*, 2002 for a detailed discussion of these issues.
- ³⁹ Head Start Program Performance Standards. 45 CFR 1305.9.
- ⁴⁰ Child Care and Development Fund, 45 CFR 98.42(a)(b).
- ⁴¹ NCCIC, *Child Care and Development Fund Report of State and Territory Plans FY 2008-2009*. nd.
- ⁴² Child Care and Development Fund, 45 CFR 98.42(a)(c).
- ⁴³ Karen Schulman and Helen Blank, *STATE CHILD CARE ASSISTANCE POLICIES 2008: TOO LITTLE PROGRESS FOR CHILDREN AND FAMILIES*, 2008.
- ⁴⁴ Diane Schilder et al. *Ohio Head Start Plus Study Final Report*, 2005. Education Development Center. Downloaded at <http://ccf.edc.org/pdf/OhioHeadStartPlusReport-EDC.pdf>.
- ⁴⁵ <http://www.maine.gov/dhhs/ocfs/ec/aboutus.shtml>
- ⁴⁶ For more information, see: Rachel Schumacher, Mark Greenberg, and Joan Lombardi, *State Initiatives to Promote Early Learning: Next Steps in Coordinating Subsidized Child Care, Head Start, and State Prekindergarten*, Center for Law and Social Policy, 2001.
- ⁴⁷ ACYF-PIQ-CC-99. “Policy Interpretation Question: The length of CCDF eligibility for children in collaboratively-funded slots.”